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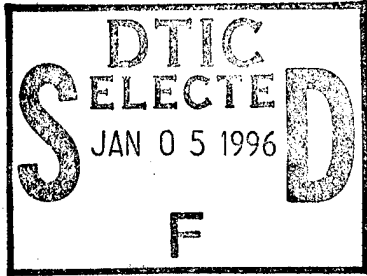
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**A Strategic Marketing Guide for the  
Private Social Club Industry**

A Professional Paper Presented to the  
Faculty of the Conrad N. Hilton College of  
Hotel and Restaurant Management  
University of Houston

In Partial Fulfillment  
of the Requirements for the Degree

Master of Hospitality Management


John T. Linn, Captain, USAF

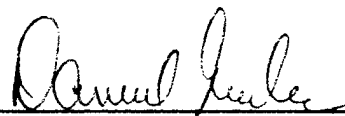
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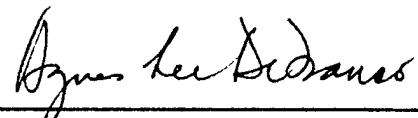
# A Strategic Marketing Guide for the Private Social Club Industry

A Professional Paper for the Degree  
Master of Hospitality Management

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## **Dedication**

This paper is dedicated to Ginger, my faithful companion.

## **Acknowledgments**

I would like to thank Dr. Ron Nykiel, Mr. Bob Southwell, C.C.M., Ms. Joan Brecunier, C.C.M., and Dr. Lonnie Simmons for their help and inspiration.

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A Strategic Marketing Guide for the Private Social Club Industry. December 1995.  
John Timothy Linn, BS, George Mason University. Graduate Advisor: Dr. Ronald  
A. Nykiel.

### **Abstract**

The intent of this paper was to provide club management professionals with a brief review of major trends affecting the private club industry and to incorporate those trends into a "roadmap" to provide a "compass bearing" for the development of a strategically based marketing plan for use in the industry.

The characteristics of a private social club and the associated legal and social parameters impacting club management were identified. Trends affecting the industry were then delineated. Withdrawing the Federal Income Tax exemption and its effect on the Houston Engineering and Sciences Society is an example of one such trend affecting the industry. Many club management professionals see this and other associated trends as the ruination of the centuries old ambiance associated with membership in an exclusive private club.

A second major trend affecting the industry involves attaining economies of scale through the use of reciprocal agreements. These agreements can greatly expand the resources to which the membership has access and can be offered with little or no direct expense to club members. Club Corporation of America, the nations largest club affiliated conglomerate provides reciprocity but focuses on a third major trend affecting the industry: the family.

Coaxing members to spend more money on services led to an industry wide focus on the family as opposed to just the major bread-winner. Members who then spend more time in their respective club perceive they are receiving more value from club dues while simultaneously increasing expenditures.

Focusing on total quality in service enabled the Ritz-Carlton to become the first member of the hospitality community to win the very prestigious Malcom Baldrige Award. By using the award criterion and the advice of Ritz-Carlton CEO Horste Schultze, club managers can effectively fit a total quality effort to their own environment.

Portfolio tools were illustrated to assist the club management professional in evaluating their current status in the market and to further reveal strengths and weaknesses. These tools, when used in the context of environmental scanning, can serve to assist in the formulation of strategy. Furthermore, strategy choices can be made and the proper environment for implementation of said strategies can be developed by using distinct portfolio tools.

## **Introduction**

The private social club industry is entering a new phase of the product life cycle. Society as a whole is moving away from the ostentatiousness of the 1980's. Those effects have resulted in the failing of many private clubs that have not adapted and strategically prepared their marketing systems. Clubs today must use strategic methods to attract and satisfy members. Identifying the consumer's wants and desires, influencing the demand, and servicing that demand with an appropriate communications mix are the tenets of successful club operation in the 1990's.

The club management professional can adapt to rapid societal change through the diligent study of current trends affecting the industry. The most applicable of current trends can be incorporated into a "road map" for the manager to follow in the form of the strategic plan. Once completed, this plan will provide needed "compass bearings" necessary to negotiate the terrain of the modern, often dynamic club environment as we know it today.

The application of knowledge into a strategic plan allows the club manager to best match club resources to the threats and opportunities of the environment. This successful application of knowledge allows the attainment of the of the pinnacle goal of the club industry: achieving long-term viability in the marketplace.

Awareness of the legal and social parameters impacting a private club is essential to develop base from which to evaluate trends and their possible effects on individual constituencies. A thorough knowledge of these laws and social morays is necessary to assist the club management professional in determining the exclusionary practices necessary to maintain the centuries old tradition of the commingling of people with like interests. Therefore before the various trends and applications affecting the marketing of private clubs can be discussed, an examination into the elements of what makes up a private club is necessary.

## **Literature Review**

The Literature presented can be categorized into five basic literary forms, including: the hospitality industry press, national business periodicals, local business journals, industry based newsletters, and the personal interview.

Governmental regulatory guidance of the industry are extremely well covered in the club management “bible” Club Management Operations, published by the Club Managers Association of America. Industry related journals and periodicals such as the Cornell HRAQ and Club Management magazine served as a springboard to further research outside the hospitality publishing arena.

Brandweek, Industry Week, and a host of other national business based periodicals provided in-depth coverage of trends and corollary courses of action from which to base the research. These periodicals offered a view of strategic design, planning, and marketing techniques/strategies from outside the club management paradigm. These compiled literary sources were prioritized and elaborated upon within the context of the personal interview. Mr. Bob Southwell provided expertise based on his work as an industry analyst and over 30 years of club management experience. His knowledge of the subject area greatly assisted the author in elaborating upon the techniques and strategies outlined within the text.

## **Defining the Private Social Club**

The Club Manager's Association of America (CMAA) and the National Club Association (NCA) estimate that there are about 13,000 organizations that meet the criterion for private social clubs in America (CMAA, 1989, 281-315). Private social clubs, by nature, are "private" institutions and are therefore eligible for Federal Income Tax exclusion under the Internal Revenue Code.

In order to obtain a Federal Income Tax exclusionary waiver, private social clubs must meet the following guidelines pursuant to the Internal Revenue Code, Section 501 (c)(7):

1. The organization must be a club.
2. The club must be organized for pleasure, recreation, or other non-profitable purpose.
3. Substantially all club activities must be for pleasurable, recreational, or non-profitable purpose.
4. At no time during the tax year can the charter, by laws, or other governing instrument of the club contain a provision that discriminates against any person on the basis of race, color, or religion (sex discrimination is not prohibited).

In order to qualify for (1) above, the IRS has stated that to be a club, an organization must have the following:

- a. A membership of individuals
- b. Personal contacts
- c. Fellowship
- d. Commingling of members

Therefore, corporations are excluded as members. Personal contacts, fellowship, and commingling, serve to prohibit an organization from forming under the guise of a private club for the sole purpose of providing economical benefits for members.

Substantial rule, referring to (3) above, prohibits clubs from forming a business with the intent of reducing member dues. Congress further clarified this rule in 1976, stating that a tax exempt club may receive up to thirty five percent of its gross receipts from sources outside of the membership. Rule (4) above further prohibits financial gain of members from club membership by restricting inurement (direct financial benefits) of members from the sale of property or other incidental revenue.

In 1976 Congress also ruled that it is inappropriate for a social club to be exempt from income tax if its *written* policy is to discriminate. However, personal rights stemming from the first and ninth amendments to the Constitution, i.e., the rights of association, privacy, and speech, give members of private clubs a protected right to decide with whom they may or may not want to associate with.

The right of association is a spin-off of the right to exclude from association as acknowledged by Supreme Court Justice Goldberg in *Bell v. Maryland*:

"Prejudice and bigotry in any form are regrettable, but it is the constitutional right of every person to close his home or club to any person or choose his social intimates or business partners solely on the basis of personal prejudices, including race. These and other rights pertaining to privacy and private association are themselves constitutionally protected liberties." 378 US 226,313 (1964).

Some individual states and municipalities, however, have in recent years usurped congressional guidelines and disallowed exclusionary practices of private clubs with memberships above a certain threshold number.

In synopsis, private social clubs by definition are organized for pleasurable purposes, are not profitable, and cannot have a written exclusionary rule but can select membership on any basis.



## **Trends in the Marketing of Private Social Clubs**

In an interview with a leading industry analyst Mr. Bob Southwell, Mr. Southwell states "private clubs now accept the fact that the privilege of joining a private club alone is no longer effective in recruiting membership. Today club managers must rely on effective strategic marketing principles. These techniques must balance a sense of exclusivity with effective marketing techniques." Mr. Southwell is editor of the Exclusively for the Private Club Field Business Newsletter, and director of the Southwell Management Group, providing executive placement and consulting for the private club industry, and a prior member of the CMAA National Board.

The following trends are examples of those used throughout the industry, exploring the boundaries between overt public marketing and the traditional exclusivity practices of the private social club. This is by no means a complete listing of all trends effecting the industry. A more thorough listing of trends in the industry compiled by a consortium of nationwide industry leaders, 150+ Business Building Ideas for Hotels and Restaurants is included as Appendix A.

### Withdrawing the Exemption

Private social clubs, though not designed for revenue generating purposes must still meet the financial goals of the membership. In an interesting corollary to the description of the non-profit private social club, the Houston Engineering and Sciences Society (HESS) recently gave up its tax exemption in the interest of reducing the financial burden it was placing upon its membership (Schlegal, 93,1-2).

Club professionals and memberships around the nation are watching this technique and its effects. The HESS membership dropped from a high of 2400 members to its present membership of 1300. Costs were cut to the bare minimum but the Club still lost money. In an attempt to prevent the forced filing under Chapter 13 of the Federal Bankruptcy Code, the Club withdrew it's tax exemption.

The HESS club now openly advertises for new memberships and corporate memberships, previously illegal under the Federal Tax Exemption Guidelines. This factor also opens the door for the public to use the facility for lucrative large gatherings like weddings, Bar Mitzvahs, and parties. Withdrawing the exemption is not without its drawbacks, however. Many wonder what incentive there is to join a

club if it is open to the public. Werner Sanz, General manager of the Petroleum Club in downtown Houston doesn't think his clientele are ready for such a move. He states, "If you withdraw the exemptions and open to the public, why belong?" He continues, "you are more or less an ordinary restaurant then" (Ibid.).

#### Joint Ventures and "Going Corporate"

In an effort to increase economies of scale while simultaneously building membership many clubs are forming reciprocal agreements or even constructing facilities as joint ventures.

This trend has been discussed extensively in Southwell's Exclusively for the Private Club Field. Clubs facing financial difficulties are now choosing to combine rather than compete for the same market segment. This practice can result in a much improved dues income, greatly reduced infrastructure costs, and a need for less staff. Staffing decisions have been worked out in many instances with early retirements and other arrangements to ease the pain of the restructuring on long term employees (Groene, 1993, 47).

The Wichita Club, located atop the Kansas Bank and Trust Building in downtown Wichita, Kansas, and the Petroleum Club, located above the Fourth Financial Center building, also in downtown Wichita, are forming a combined athletic style club in another location. Membership in both clubs reduced from 1200 to 600 member levels as a result of a decaying downtown environment. The club managers believe that a downtown athletic club will appeal to a whole new environmental segment of society while keeping the socializing atmosphere so imperative to a private club (Ibid., 44-51).

The Wichita Club also turned to corporate management to increase revenues and instituted the Club Corporation of America (CCA) at its helm. The CCA is a 35 year old company with annual sales of 500 million dollars; CCA serves the industry in both a management contract and an ownership role.

The CCA has purchased three or more clubs in cities like Houston, Dallas, Chicago, Atlanta, and now Tampa. Members of clubs bought by the CCA can join all CCA area clubs for a \$30 - \$40 upgrade. Stewart Shafer, marketing director for the CCA's South-east regional division states that, "40% of the 4,000 members in

Tampa will upgrade." Previously, 40% of the customers in Atlanta, Chicago, Dallas, and Houston joined the upgrade program.

Other private clubs have followed suit. The Tower Club and the President's Club, both of Tampa, have recently established reciprocal agreements and now offer access to over 69 private clubs in the US and the Pacific.

Even the US military has gotten on the joint venture bandwagon (Cornell H.R.A.Q., 93, 57). The architectural firm Arrowstreet recently completed the task of combining three clubs into one at Griffis Air Force Base in New York .

The club, designed to overlook the hills of Rome, New York, and designated as the "Mohawk Glenn Club" provided conflicting aims to the developer. The goals were to provide a nice view for the diners (the greatest amount of business is from daytime dining) while separating the officer corps from the enlisted while combining the kitchen and access to the cash register. The facility was also to house the golf club house. These requirements were designed by the Air force to conserve capital and dramatically reduce the size of the staff.

The Navy, on the other hand, chose to reorient their club system in a different manner. "Separation of ranks has fallen by the wayside," states Ed Pratt, Media Coordinator, Morale Welfare and Recreation Division, Naval Military Personnel Command, Washington, DC. The Navy instituted service-wide focus groups to find out what sailors wanted and the results were less emphasis on formal dining for officers and a combination of quick service, convenience, low price, and family orientation (Major, 91, 38-41).

Larry Kelly, head of the Navy's clubs branch found patrons wanting to participate when they go out. "They don't want to just eat and drink but to have something to do when they go out." In response to this need, Mr. Kelly states, "Well managed, high energy nightclubs will be a big part of our program for the 90's." The Navy's initiatives resulted in 90% of Navy clubs operating in the black just a few short years after almost all clubs were in the red as a result of congressional funding cuts for morale purposes.

### Focus on the Family

While most clubs and club organizations struggled to maintain any profit at all in the early 1990's, Club Corporation of America averaged between 10% and 20% profit during this same time. They have accomplished this monumental task by focusing on the revenue line - not the expense line. CCA has not increased profit through raising dues or other assessments; they have focused on coaxing members to spend more on services (Lowes, 92, 31-34).

CCA President Robert Johnson states, "We believe it equates to our philosophy. If the member is using the club, then he's perceiving value for the dollars he's spending. Then he'll stay a member." Focusing on the family allows the private social club to persuade the guest member to spend more money while in the club. Kevin O'Reilly, a staff member of PKF consulting, a national hospitality consulting agency, agrees and says that family strategy for the 90's makes sense. "Families are taking scaled down vacations or none," he states. O'Reilly goes on to say that club membership can allow for less expensive, substitute vacations with programs like "summer camp" with a golf, tennis, swimming, or fitness base. "Make a club a destination, not an afterthought," O'Reilly concludes.

Many clubs have been hurt in the last decade by focusing on the father. Today, total family involvement is required to get more profitable numbers. Husband and wife George Carrol (General Manager of the Towne and Country Club in St. Paul, Minnesota) and Linda Carrol (General Manager at White Bear Yacht Club in White Bear, Minnesota) pursue family involvement as a core to success.

The White Bear puts out a book describing children's programs at the club with an attached directory of all baby-sitters employed by members. The Towne and Country membership director gives a club tour to entire families, and directs his sales pitch to the spouse. "If she's not getting anything out of it, after a couple of years she might say take a hike," says George Carrol, CMAA Director.

While focusing on families and their needs, it is important to combine these needs with traditional club amenities. Informal dining rooms are a necessity today, however a smaller formal dining area is just as needed today as 20 years ago (Groene, 93, 32).



### Recruiting Younger Members

Allan Daton, General Manager of the Penn Club at 3 W 55th Street on clubhouse row in New York City initiated a marketing effort based on very young professionals.

His successful strategy resulted in 8,000 new charter members (Rig, 1994, 3). City clubs, including the Penn, Cornell, and Harvard Clubs now start marketing to students in their junior year of college. They also hold young alumni cruises and upscale mixers just so new graduates can see and experience the clubs.

Another key to recruiting the youngest members is fitness equipment; in fact the right equipment is crucial. A PKF study found that revenues from sports activities increased 4.6% in 1992, not to mention the positive effect on membership; in fact, the 19-city Sport and Leisure Clubs of the US uses fitness as a springboard to develop a collegiate like social structure. The corporation has developed this strategy into an 80,000 strong, national coed sports program based on the demographical needs of 21 to 35 year old clients. Next year the club chain intends to add clubs in six cities and achieve a membership of 100,000.

These so-called "Generation X" individuals represent such a lucrative market that Disney, Anheuser-Bush, and Jack Daniels are courting Sport and Leisure Club members. The clubs will hold their February tournament at Disney World and A-B's director of geographic marketing states, "To find all these people at one time is damned near impossible." Jack Daniels and Gatorade are year round sponsors. Even Chrysler, Speedo, and Proctor & Gamble's Bold detergents offer seasonal programs.

A study by Bob Southwell looking into the effects of using fitness equipment as a marketing tool for *pre-existing* private clubs found without exception, all club management executives queried agreed that adding health based facilities to their respective clubs enhanced image. However, none of the respondents in his survey could directly tie fitness equipment additions with improvement of membership acquisition or increased activity at previously existing clubs (Southwell 1993, 5).

#### Total Quality in Customer Service

Fact: Businesses with better service than their competitors dominate their market, experience market share growth by improving service, and have higher profit

margins because they can charge more for their products and services. So says a recent study by the Strategic Planning Institute of Cambridge, Massachusetts (Fourtney, 1993, 17-23).

One of the best templates for club managers to use for instituting a total quality environment is the Malcolm Baldrige Award criterion. The award was established in 1987 by the US Department of Commerce and was named for the late Commerce Secretary who served under President Reagan. The Ritz-Carlton took this approach and became the first member of the hospitality community to win the very prestigious award. Club managers instituting this type of program can learn from the efforts of Horste Schultze, CEO of the Ritz-Carlton who states, "When an organization is truly operating under TQM, it doesn't have to worry about products or results - - they are built in ." (Donner, 1993, 18).

TQM focuses on continuous improvement combined with statistical process control (SPC). Many managers fear the SPC process and do not see its worth in the service industry. The Ritz-Carlton, however, has proven the disbelievers wrong. According to Mr. Schultze, the Ritz-Carlton used to assume how long it took to do

things, but accurate measurement showed how long things really took.

Measurement, though, is only one factor of the quality process.

Strategic planning is also incorporated and "must function like a pipeline - a seamless flow of service to the customer" (Ibit). To accomplish this, all employees have to be involved. Mr. Schultze uses the following example of employee involvement: "We were having trouble with the spouts of Wedgwood China teapots breaking in the dishwasher. One of our dishwashers suggested we put plastic caps on the spouts. We did. Breakage has gone down by eighty percent. And, by the way, the plastic caps cost ten cents each."

Employees also need to be involved in the training process. Ask them what they need to know and make them accountable for that information. The Ritz-Carlton now requires 100% job knowledge - tested in the training process - before an employee can start to work.

Use of the Malcom Baldrige Award Criterion template and employing the techniques used by hospitality professionals like Horste Schultz to reach that end can have a

dramatic effect on service and the overall health of the private social club. Club managers have to "buy in" to the system, empowering employees to be creative decision makers in order to offer a level of service that is one step ahead of club member expectation. Francisco Gomez, Executive General Manager of the Delta Bow Valley Hotel in Calgary, Canada also believes in this precedent (Fourtney, 1993, 17-20).

Mr. Gomez advises not just paying lip service to employee empowerment and other 90's terms, and backs it up by giving people like waiters and cashiers the ability to grant a free meal to a disgruntled guest. This mindset has allowed several staff members at the Delta Bow to win the White Hatter Award for excellence in the hospitality industry. Mr. Gomez also reports fifty percent less staff turnover than the industry average.

Club staffs must internalize that customer service is the most important part of the job. Internalizing the customer service mindset can best be summarized by the late Sam Walton of WalMart fame. His rules are as follows:

Rule #1 - The customer is always right

Rule #2 - If the customer is not right, refer to Rule #1

## Portfolios

A major trend in the lodging industry is the use of portfolio tools to help in the formulation of strategy. These tools, when related to private clubs can serve a major role in marketing strategy formulation. These tools were related to the author in a lecture series conducted by Dr. Ronald E. Nykiel of the Hilton School of Hotel and Restaurant Management, University of Houston.

These valuable tools can first assist club managers in evaluating their current status in the market and help to reveal strengths and weaknesses of the club's position. In addition, they can be used to evaluate the competition. Presenting the competition on separate matrices can be helpful in analyzing the competitor and forecasting the opponent's strategic moves. Portfolios can be used to look at the effects programs will have on future business and to draft the desired future portfolio. These tools can be used as an intelligence system - pinpointing areas where information is needed. Finally, the most basic goal of these portfolio tools is to determine strategy options.

These tools are, of course, not some simple guide to success but are extremely useful as diagnostic aids. They help in planning as well as serving to simplify the diverse market and organizations piloted by club management professionals.

Probably the most renowned of the folio approaches is the Boston Consulting Group Matrix (Figure 3-1). This matrix divides market growth into high and low segments, and correspondingly, market share into low and high shares. Four types of products can then be identified and are now an important part of the main stream business lexicon today. These are explained as follows:

*Stars* - Exemplified by a large market share in a fast growing market, and require a heavy investment of resources.

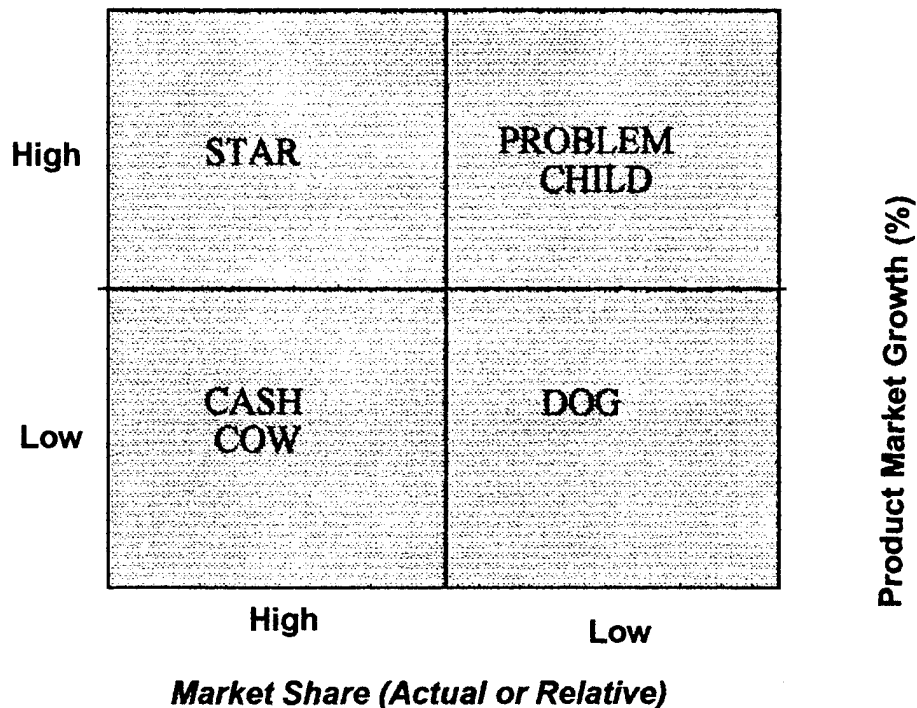
*Cash Cows* - Typified by high market shares in a slow growth market. Produce revenues for supporting other projects.

*Problem Children* - Small market share in a fast market.

*Dogs* - Small market share and slow growth or decline.

Used correctly, this matrix can be used by club management professionals to analyze not just their individual products, but whole clubs, affiliates, or markets.

# The Boston Consulting Group Portfolio Approach to Strategy Formulation



**Figure 3-1**

General Electric extended the Boston Consulting Group matrix into a matrix utilizing a grid factor (Figure 3-2). The grids are then divided into three zones: high, medium, and low. The high zone, made up of the upper left three blocks, represent markets that are attractive and in which the product has strength. The medium zone, made up of the boxes that extend diagonally from low left to high right represents



products of mediocre attractiveness. The low zone, in the lower right section are low in attractiveness. Generally speaking, high zone means develop to the maximum extent possible. Medium; don't change anything, and low means "milk it dry."

### General Electric Portfolio Approach to Strategy Formulation

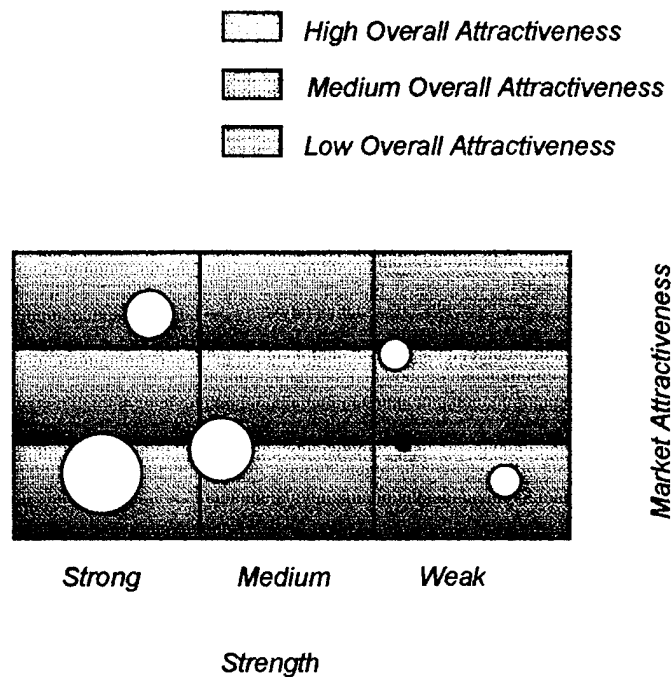


Figure 3-2

The Corporate Product-Market expansion strategy helps club professionals to think in strategic terms when developing ideas to develop new product and market strategies that will eventually build Stars or Cash Cows. The matrix uses a six cell base with products on the linear axis and markets on the horizontal. Products are

differentiated by existing, modified, and new while markets are only new or existing.

Cells are then numbered one to six in a top-down, left to right fashion (Figure 3-3).

## Product Market Expansion Matrix

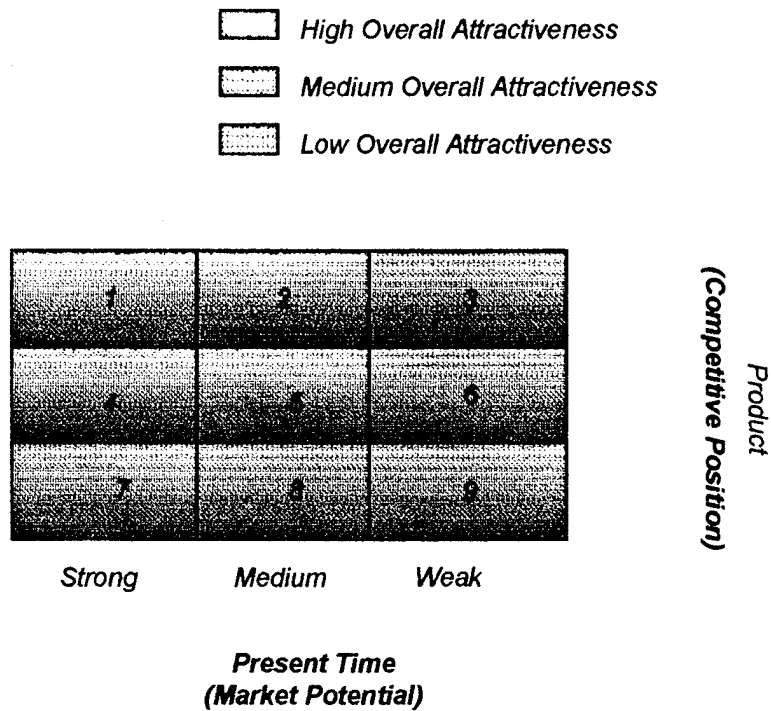
		Products		
		Existing	Modified	New
Markets	Existing	<b>1. Market penetration</b>	<b>3. Product modification</b>	<b>5. Product innovation</b>
	New	<b>2. New Markets</b>	<b>4. Product modification for new markets</b>	<b>6. Total Innovation</b>

Figure 3-3

Block Number 1 (market penetration) asks whether expansion into an existing market with existing products can increase business. Block Number 2 considers offering existing products to new markets, while block Number 3 asks if existing products can be modified to meet market desires. Block Number 4 then represents product modification for new markets; Block Number 5, product innovation, and Block Number 6, total innovation, i.e., new products offered to new markets.

A fourth tool that can be very helpful to club managers is the Marketing Strategy Grid (Figure 4-4). This nine position grid uses a methodology similar to the General Electric grid in that zones are important. The marketing strategy grid factors potential of the market sector on the horizontal axis against competitive positioning on the vertical. Thus, upper left denotes an advantageous or "go" situation, while center positioning denotes "caution." The lower sector results in an unfavorable or "no go" situation for a club manager's product or service. The marketing strategy grid also contains possible marketing steps for each of the nine boxes that can be of invaluable service to the club manager in determining his or her marketing strategy.

## ***The Marketing Strategy Grid***



**Figure 3-4**

### Use the Member

Club management professionals have long known of the advantages associated with getting the members involved in marketing. Involving the club's membership in marketing activities can effectively increase the productivity of a marketing staff by often a hundred-fold or more.

Martha Bonk, CCM and General Manager of the Tower Club in New York, involves members by forming a membership task force of 25 club members (Southwell, 92).

In a four month period all of the members were contacted by the task force. The intent of the program was explained as a promotion for new members through personal contacts of the current members only.

The task force succeeded not only in luring new members, but served to better communicate the membership level desires of the board of directors. Club members, hence, became aware of the need for increasing dues accrual that is achieved by increasing club membership levels and the consequential effects on the bottom line profitability of the club.

Bernard Van Mourik, General Manager of the Houston Club in Houston, Texas, instituted a novel form of using (Ibit) his constituency for marketing purposes. He believes every membership in a private social club has a monetary value with a caveat: membership value may become depressed in hard economic times.

The premise of his program is to offer the membership a two for one stock or equity value split. An additional membership certificate was offered to each equity holding club member. The certificate, accompanied by a personal letter from the club president, authorizes use of the certificate for a personal friend sponsored directly by the certificate holder.

Exclusivity is maintained in that each newly sponsored member must meet the same rigorous membership screening as the primary stock holder. In order to insure the effectiveness of the program, strict time limits for the stock offering were enforced along with communication to the membership that this was in fact a one-time only program. The program, when coupled with an exclusive membership practice, resulted in 400 new memberships (15% growth) for the Houston Club.

#### Summary of Industry Trends

Withdrawing the income tax exclusion, joining up with a "bigger team," focusing on the family, recruiting younger members, total quality service, and using portfolios for analysis are all tools the club manager can add to his or her "tool box." These

trends Affecting the private social club market have wide ranging implications for industry professionals.

As the last few years have unfortunately pointed out, those that do not adapt to the changing marketplace will go by the wayside. One or the other of these tools will not provide instant success, but a sustained effort made by the club management professional to stay abreast of changing conditions and practices will allow him or her to adapt to rapid change in the industry and to successfully navigate through this portion of the private club life cycle. An awareness of trends impacting the industry can also serve as a base for the next tier in marketing the private club, the strategic plan.

## The Strategic Plan

### Overview

The concept of strategic planning management can probably be best described from The Importance of Strategy in the Hospitality Industry as follows:

Strategic management can be thought of as a consistent pattern of decisions made by an organizations management as it pursues its mission and objectives. These decisions include the types of products to offer and their appropriate markets, the allocation of resources to that end, the establishment of policies and procedures, and the control of, and responsibilities to employees. Management's goal in applying the concept is to match the resources of the firm to the threats and opportunities of the environments as to achieve long-term viability for the firm (Hofer and Schendel 1978;Bracker 1980).

This form of strategically based planning is made up of four basic elements: environmental scanning, strategy formulation, strategy choice, and strategy implementation.

To understand completely the impacts of internal and external forces impacting the club environment, **environmental scanning** must be employed. Once threats and opportunities in the environment are well understood, **strategy formulation** is employed to guide the club manager through the process of determining the relative strengths and weaknesses of the club. **Strategy choice** is then the total of all the competitive methods and finally **strategy implementation** is organizing the club to provide a structure that will allow the choices of strategy to succeed.



### Getting Started

The subject of strategic planning often in and of itself deters club management professionals from writing a strategically based business plan. "Strategy" according to Dr. Tom Brown, "has become a cumbersome morass of who's weightiness too often smothers the excitement and enthusiasm that ought to accompany bold and imaginative strategic thinking" (Brown, 1993, 19). A study of 900 small firms found that older firms are less likely to use and update business plans than were younger ones. This finding is significant in that a majority of private clubs today are well established and that many other studies have shown a strong correlation between planning and business growth (USA Today: Magazine of the American Scene, 1994, 10).

Clubs have historically tended to identify a specific market they are comfortable with and are thus less likely to maximize profits when times change. Strategic planning can help alleviate this tunnel vision while adding some exuberance to the club management culture.

Strategy should be thought of as thinking through what your club is attempting to do and adding some chutzpah to your competitive position in the market. In essence, it's figuring out how to get more club members, and getting them to spend more time and money in your facility. A fully detailed strategic plan can tactically pin down

how a specific strategy will enable growth; however, basing thought processes on intensive research and situational analyses is not the basis of strategic thinking. In other words, concentrating too much on method can hinder you from exploring new ideas and revelations that could enhance your product or service in the eyes of the club member or perspective member.

### Preparing a Strategic Plan

Remember, two MBA's and a Doctorate in business planning are not necessary for the writing of a strategic plan. The plan is part words and part numbers, combined to help determine where your club is headed and provide you with a map and compass to guide you toward your destination. If you despise the idea of preparing another report and paperwork in general makes you nauseous, the following steps may help you (Stern, 1995, 26-28).

1. *Even if you only write parts of a formal strategic plan, you will be better for it*

A solid plan can help you through your workday by providing "thrust and vector".

Prioritizing initiatives most deserving of your attention and therefore your staff's will be made easier with a plan. If you are writing the plan, choose the parts of the formal plan most beneficial to you and ignore the others.

2. *Utilize some good software*

Business planning software is now available that will ask questions to help decide what is important for the plan. *Business Plan Pro* (Palo Alto Software) gives an

entire outline and asks questions like "Do you have better prices, quality, service, or other factors than your competition?" *Plan Maker* (Power Systems for Business) is divided into sections, each having its own questionnaire that can push club managers through the plan writing process. *Biz Plan Builder* (Jian Tools for Sales) gives spreadsheet templates for forecasting and break-even analysis (The September '94 issue of Home Office Computing gives a thorough review of seven business plan software packages beginning on page 80).

### 3. *Use plain English*

Begin the plan writing process using your personal dialect, when you finish the plan you can convert "computer and fax machine" into "Capital Assets" and substitute "Accounts Receivable" for where you had "what everybody owes me" before sharing the plan with the board of directors.

### 4. *Remember the KISS Principle*

The basic rule for the club management pro is KISS (Keep It Short and Specific). A five to ten page plan is all you need (Feinglass, 1993, 43) including the following sections:

- Environmental Scanning
- Strategy Formulation
- Strategy Choice
- Strategy Implementation

## Categories

### *Environmental Scanning*

Management can effectively direct the firm's resources with understanding only if management has a complete and thorough understanding of activities occurring within the operating environment. The club manager must define, through this process, the operating environment within which the club operates.

The club manager must understand the "whole picture" influencing his or her operating environment in order to make the correct strategy choice(es). One of the best tools for determining the position of a club in the operating environment involves the use of the perceptual map. The Perceptual Map uses a vertical axis denoting value extremes and a horizontal axis representing value. The resultant "map" offers a view of the perception of both the present and perspective club member as illustrated in Figure 5-1.

The perceptual map illustrates hypothetical Club "X's" position in the environment in relation to competitor Clubs "Y" and "Z". This illustration allows the management of Club "X" to determine where emphasis needs to be placed in order to improve positioning and simultaneously allows Club "X" management to evaluate the environmental factors concerning the competition and the resultant possible future strategies of the competition.

# The Perceptual Map

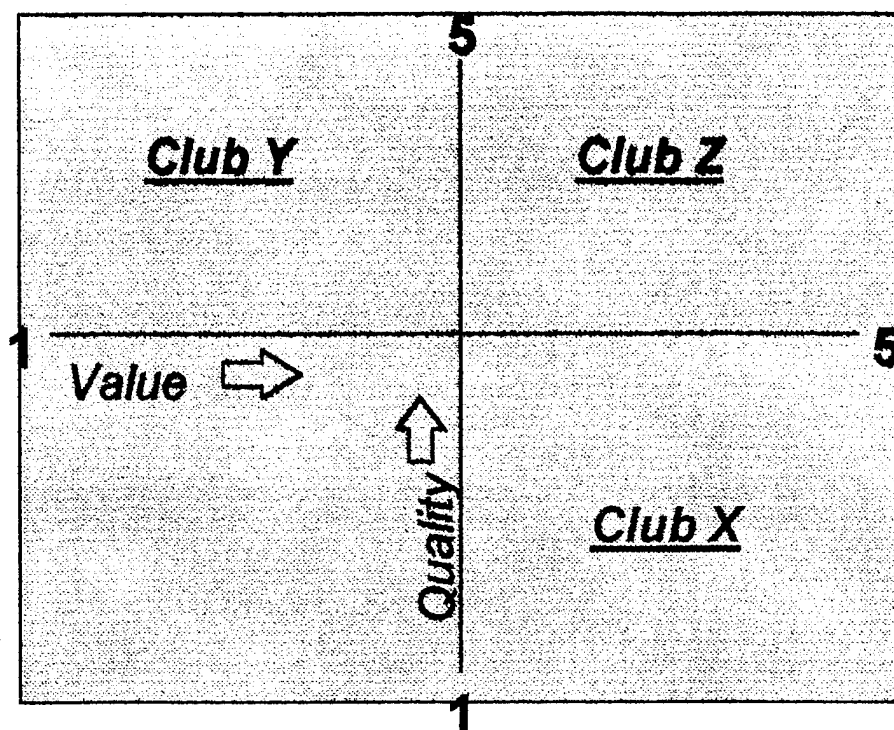


Figure 5-1

## *Strategy Formulation*

Often referred to as the basis of the strategic plan, strategy formulation is the thought process involved that allows the club management professional to determine the strengths and weaknesses of the club. This is accomplished in order that the correct decisions can be made regarding how to best meet those threats and opportunities discovered in through environmental scanning.

Strategy formulation involves the formulation of a mission statement, goals to establish values, and specific objectives should also be developed with respect to magnitude, time, and responsibility (Nykiel, 94). After establishing goals for the club, strategy formulation can take place that will enable the attainment of stated goals. The initial step in this process involves analyzing the current product portfolio.

### *Strategy Choice*

The information gathered in the strategy formulation phase enables the development of a pattern of decision making. The club can therefore make decisions on product and market opportunities, resource allocation, and club design based on the need to build established strengths and improve weaknesses, resulting in decisions on how to best compete in the club's market area.

These choices of competitive ideas start to guide the direction of the club and in effect, strategy is chosen. When a club uses extensive advertising, rigorous cost controls and then searches out new market opportunities all at the same time, and uses them consistently, the club is using a decision process that leads to effective strategy.

Graphically illustrating the strategy formulation process can be accomplished through the use of the portfolio analysis tools mentioned in the trends section of the

text. The Boston Consulting Group Portfolio approach and the Product Market Expansion Matrix can be used to help determine broad strategies necessary to reach goals. Aside from the markedly similar Kassavanah and Smith Menu Engineering Model, the Boston Consulting Group Matrix can be used by Club "X" to graphically portray "products" such as Tennis Facilities(Figure 5-3) and markets such as the "Generation X" market (Figure 5-4).

## The Boston Consulting Group Portfolio Approach to Strategy Formulation

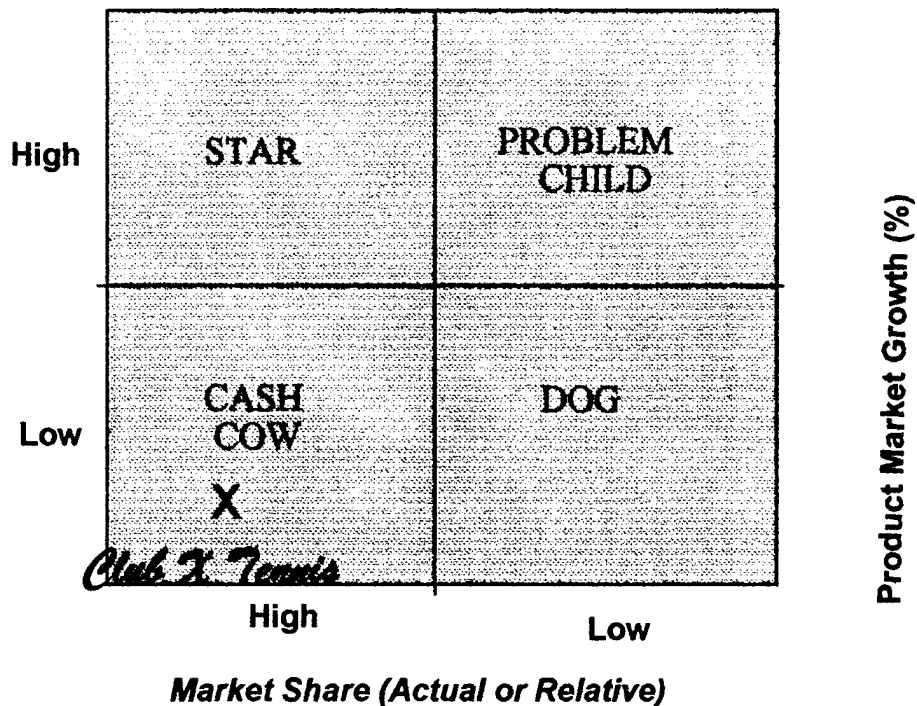
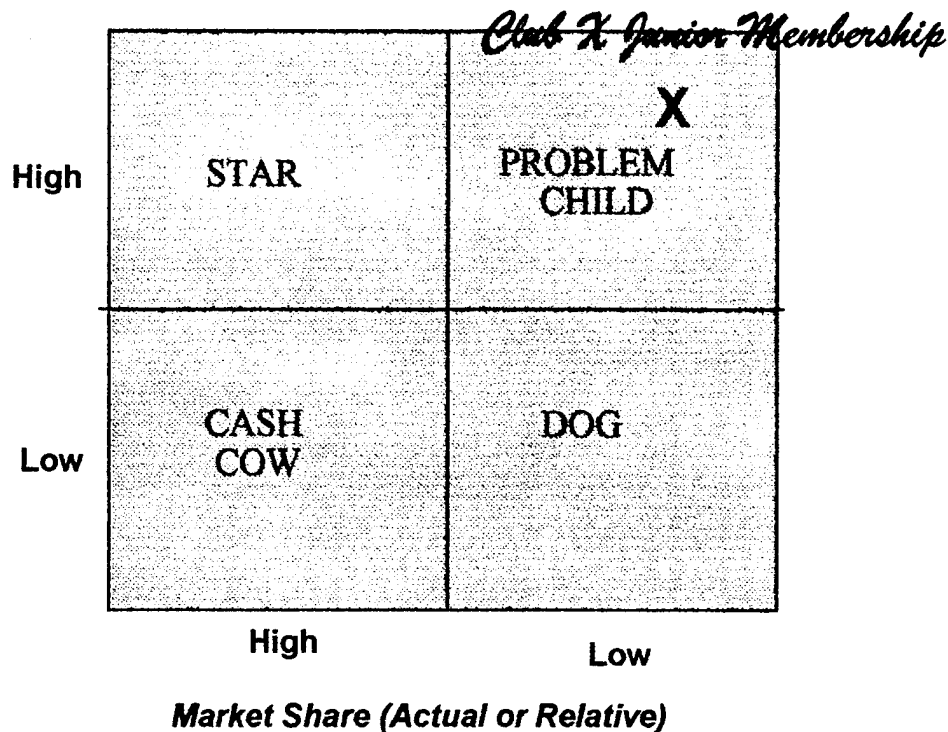


Figure 5-2



**Figure 5-3**

It is apparent from Figure 5-2 that tennis facilities are in a high market share/low growth market and receive "Cash Cow" status. Club "X" offers some of the finest court surfaces in the nation and has employed only world-renowned tennis pro's to earn this market share position. Conversely, in marketing to the young professionals of the community, Club "X" has had only marginal success with only six percent of the club membership from junior member status (Junior Members are those members under 30 years of age who pay substantially reduced dues).

The Product-Market Expansion Matrix, when used by Club "X" in its formulation of strategy takes the form of a blank six-cell matrix. Club "X" leadership, in a team



effort then brainstorm to produce products or services that could in turn be placed in each respective cell (figure 5-4).

## Product Market Expansion Matrix for Club "X"

		Products		
		Existing	Modified	New
Markets	Existing	<i>Tennis Instruction</i> <b>1. Market penetration</b>	<i>Ethnic Menu</i> <b>3. Product modification</b>	<i>Grass Tennis Courts</i> <b>5. Product innovation</b>
	New	<b>2. New Markets</b> <i>Generation X</i>	<b>4. Product modification for new markets</b> <i>Renovate Lounge</i>	<b>6. Total Innovation</b> <i>Fitness Center</i>

**Figure 5-4**

Club "X" leadership, from this brainstorming session, decided on the following courses of action. First, promoting tennis instruction (block 1), an existing market with an existing product, can still increase business. Secondly, marketing to "Generation X" consumers offers the existing product to a new market (block 2). Thirdly, an ethnic menu (block 3) offers a modified product to an existing market. Fourth, renovating the lounge (block 4) could serve to modify an existing product for a new market. Fifth, grass tennis courts (block 5) in addition to the present clay surface, would offer a new product to the existing clientele. Finally, the construction of a fitness center when none previously existed in this type facility would offer total innovation (block 6).

### *Strategy Implementation*

Unfortunately, even the best of strategies will fail if not implemented correctly. The club must be designed to allow for the success of the implemented strategy.

Examples of club systems designed to facilitate the implementation of strategy are: Incentive and reward systems; communication systems; effective decision making systems; a committed top management; a club culture that supports new strategies; and combining environmental information into the strategy formulation process (Ibid.).

### *Summary of the Strategic Plan*

The strategic plan better enables club management professionals to compete in the marketplace. Assumptions based on techniques such as environmental scanning, strategy formulation and choice, and strategy implementation methods described herein serve to assist managers in the decision making process. This in turn allows the manager to offer the types of products and services appropriate to the market and allows the knowledgeable allocation of resources to that end. The ultimate goal the strategic planning process is best match those resources to the threats and opportunities of the environment to achieve long term viability for the club.

Club management professionals must remember not to become intimidated by the seemingly daunting task of developing a strategic plan. The plan is basically the respective club manager figuring out how to get more club members, and trying to get those members to spend more time and money in the facility. The actual writing of the plan can be made much easier through the use of a good planning based software package.

## **Conclusion**

The club management professional can, with a study of current trends affecting the industry, incorporate the most useful of those trends into a "road map" in the form of the strategic plan. Once completed, this plan will provide needed "compass bearings" necessary to negotiate the terrain of the dynamic club environment as we know it today.

Awareness of the legal and social parameters impacting a private club is essential for a base from which to evaluate trends and their possible effects on individual constituencies. A thorough knowledge of these laws and social morays is necessary to assist the club management professional in determining the exclusionary practices necessary to maintain the centuries old tradition of the commingling of people with like interests.

Withdrawing the Federal Income Tax exemption, increasing economies of scale, focusing on the family and a return to the total quality environment are but a few of the trends impacting the industry. A sustained effort by the club management professional to stay abreast of these changing conditions and practices will allow the astute club manager to adapt to the rapid change inherent in modern society.

The application of knowledge into a strategic plan allows the club manager to best match club resources to the threats and opportunities of the environment. This

successful application of knowledge allows the attainment of the of the pinnacle  
goal of the club industry: Achieving long-term viability in the marketplace.

## **Recommendations for Further Study**

The whole process of using Total Quality Management and the associated quality assurance and control methodology could provide a unique study vehicle. The effects of this technique, including improved quality, greater productivity leading to increased customer satisfaction, lower operating costs, and increased market share all leading to enhanced financial performance, are the tenants of the program.

An in-depth analysis of increased productivity through the use of basic statistical tools such as the histogram, discrete and continuous distributions, normality testing, operating characteristic curves, etc. could prove extremely valuable to the club management and overall hospitality field.

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## **Appendix A**

### **150 Business Building Ideas for Hotels and Restaurants**

**150+**

**Business Building Ideas  
for Hotels & Restaurants**

## Advertising - Identification (1)

- 1 **Restaurant / Retail.** Create a unique competitive advantage for your business and advertise it consistently. If you run a dry cleaning business, offer pick up and delivery. If you sell watches, offer free battery replacement for the life of the watch. If you have a restaurant, offer recipes of specials just for the asking.
- 2 **Restaurant.** "A Touch of Italy" restaurant in Cardiff, NJ uses a white background in the yellow pages with the phone number in red to grab customer attention.
- 3 **Restaurant.** If your establishment is well known or appeals to tourists, **sell something representative of who you are.** You see Hard Rock Cafe T Shirts all over the world. The Restaurant America in New York City sells wonderful T Shirts. It's a profit center, and represents an ongoing promotion for you. Do you have a name or logo customers would like to take home with them?
- 4 **Restaurant.** Our restaurant prominently displays the fact that 10% of pre-tax profits go to 2 local feeding programs in the city. This message is in all our advertising and on our table tops.
- 5 **Restaurant.** Restaurant could put up billboard, "Free Dinner for your Birthday!" "Kids Eat Free at . . . ." Brings in families.
- 6 **Restaurant.** Sponsor an ongoing program that mentions your business. The Prime Rib in Gillette, WY sponsors a daily **anniversary contest** on a local radio station. The contest is run twice a day, M-F. People celebrating their anniversary are asked to call in and tell how many years they have been married. The longest married couples win a \$15 gift certificate for dinner to be used some time during their anniversary week.
- 7 **Restaurant.** We follow the Marshall Fields, Neiman Marcus concept of having the owner very involved in the business. People like to deal with the owner and know he/she is always there.
- 8 **Restaurant.** We increased our business by 350% when we "downscaled" ourselves from fine dining to casual dining.
- 9 **Retail / Restaurant.** Nostalgia creates interest. Show "old time" photos of your community for an old fashioned sale with old fashioned prices.
- 10 **Lodging.** We advertise in big, bold print our price PER NIGHT, PER ROOM, instead of the traditional per person, per night based on double occupancy. We emphasize price and trust. It has sold our hotel like crazy.

## Advertising - Cooperative Ads (2)

- 11 **Restaurant.** For our 25th anniversary, we contacted all our suppliers for co-operative advertising and raised \$10,000. We did extensive direct mail and advertising with these funds. Our big promotion was rolling prices back to 1968. The month long event offered daily prizes and a grand prize drawing for a trip to Las Vegas. All prizes were donated by merchants. Publicity was extensive.

## Advertising - Cross Selling (3)

- 12 **Restaurant.** Coyote Cafe in Santa Fe and Red Sage in Washington have added retail stores selling food, T-shirts, Cookbooks, and trinkets. Best sellers are T-shirts with restaurant logos. Patina Restaurant of L.A. and Pink Adobe of Santa Fe have gift catalogs they mail nationally with logo items, food, cookware.

## Advertising - Contest, Sweepstakes (4)

- 13 **Restaurant (Swedish foods and specialty gifts)..** We gave away airfare for two to Scandinavia by sending in entry blanks from our food and gift catalog. We also worked with a nearby motel who offered their guests free dinner at our restaurant (paid for by the motel).
- 14 **Restaurant.** Drop off your business card to win one of 3 grand prizes over a 30 day period. This gave us a good mailing list. Plus, some came in more frequently in order to enter more frequently. The best part is that we learned who our customers were from VP of a big corporation to secretaries. We sent them personal notes with tailored offers. This has helped us build a loyal following.
- 15 **Restaurant.** We had to change the name of our restaurant because of leaving a franchise. We had a good, loyal clientele and wanted to assure them that we would not be changing much. We put out a flyer promoting a contest which asked people to come up with a new name for us. Although we only seat 80, over 1,200 replies came in. Now we have a database of 1,200 names of valued customers of our old restaurant for the "new" place in town.
- 16 **Restaurant.** We printed an envelope. On the outside, it says "Don't open until your next visit and you will receive 10%, 15%, 20%, 30% off your entire meal." Inside the envelope there is the discount. The waiter will give the customer the envelope by the end of his meal for his next visit. We gave away almost 600. We got back 300.
- 17 **Restaurant.** We run a monthly drawing for free tickets. People complete name and address cards. This then becomes our customer mailing list. When we mail to that list, it always works.

- 18 **Restaurant.** A store owner calls consistent attention to his window by placing a mystery initial in the front window each week. If your last initial matches it, you get a substantial discount.
- 19 **Lodging.** Manhattan East Suite hotels uses the single-use camera in a photo contest for guests staying at least two nights. The guest who takes a picture that best captures the big Apple will have his or her name appear on the Times Square Sony Electronic Billboard.
- 20 **Lodging.** The Pear Tree Hotel published its latest newsletter in the form of a quiz with an unlimited number of prizes for correct entries. "We wanted a way to persuade readers to read the entire newsletter." There were 18 positive statements about the hotel and its restaurant, but 3 were false. Customers had to check the statements they thought were false. One correct answer earns a bottle of wine on the next visit, two correct answers earns a Pear Tree sweatshirt, and three correct answers wins a complete overnight package for two. The print run was for 200 (important business customers), 150 replied, and 30 prizes were awarded.
- 21 **Lodging.** At Doral Arrowwood, we offered clients who booked meeting space during shoulder periods the opportunity to be a contestant in a hole-in-one golf tournament. Winner(s) win \$1,000,000 cash. One person per company is invited. The offer is usually extended to a senior level person. It helps us book meetings during slow periods. And, a portion of the winnings would go to charity. P.S. We buy an insurance premium against the \$1,000,000, but the participants love it!

### **Advertising - Free Extra (5)**

- 22 **Restaurant.** We offer complimentary dinner on your birthday. This offer is printed on the menu. ID is required.

### **Advertising - Discount Sales (6)**

- 23 **Restaurant / Lodging.** The Tack Room in Tucson, Arizona offers a Sweetheart Dinner for two, prix fixe at \$68, during their off-season period.

Hotels with **off-season months often offer very special prices** to attract local traffic when space is open. ("Take a weekend vacation in your own back yard.")

- 24 **Restaurant.** A local fast food restaurant arranged with 14 of the 15 top employers in her city to give each of their employees an Employee VIP card to the restaurant. The local Chamber of Commerce also mailed out these cards to 12,000 members and their employees. Elementary schools also distributed them to parents. In 90 days, sales increased by 20%.

[Note: The last 7 ideas come from a book called Streetsmart Marketing, by Jeff and Marc Slutsky. This book is full of cost-effective marketing and promotional ideas. We recommend it.]

- 25 **Restaurant.** "Romantic Dinner" campaign - We offer dinner for two of prime rib or beef Wellington. It includes shrimp bowl appetizer, salad, a bottle of California wine, dessert, and coffee - all for \$49. People love it and it brings them in for special celebrations.
- 26 **Restaurant.** To increase customer dining during slow times, we advertise in the local theater playbills. We offer 25% off if you bring in your theater ticket stubs. This brings us late night diners, and post-matinee diners.
- 27 **Restaurant/Bar.** Besides doing an early evening happy hour at the bar, we do a late night (Midnight - 2 a.m.) happy hour featuring low cost items.
- 28 **Lodging.** To generate golf green fees during slow months, we reduce our green's fees to half price. Plus, we give away \$10 gift certificates to the pro shop.
- 29 **Lodging.** We give a \$20 off certificate to summer guests if they return in the off season. We also run a mid-week (slow time) special offering \$50 restaurant certificate, \$20 beauty salon certificate, champagne and chocolate dipped fruit in the room, and late check out.

### Advertising - Introductory Offers (7)

- 30 **Restaurant (caterer).** We offered to bring in free lunch for corporate departments so they could sample our catering menu. Then, when they had future events they always felt obligated to use us. Once they started using us, they got into the habit and became ongoing customers. Also, anytime we cater a corporate event, we bring extra lunch for the secretary and other administrative staff. They're the ones who take care of catered lunches, and they always think of us because we take care of them.
- 31 **Restaurant.** We have our "mascot" crocodile go into the community and neighborhood and hand out balloons with gift certificates good for a free kid's meal. It worked well - someone has to bring the kids in!

- 32 **Restaurant.** When someone is booking a private room for a party, I tell them that I will start them out with a \$20 gift certificate to say thank you for using us. After the party, I do a follow up call to see how the party went. And, I always send a handwritten thank-you note with a \$10 gift certificate after the party to make the customer feel appreciated.
- 33 **Retail / Restaurant.** Participate in an ongoing **Welcome Neighbor** program to capture business of customers new to your neighborhood. As an American Express merchant, you can rent a list of recent movers from zip codes around your establishment and send them your own direct mail offer.
- If you sell a product that appeals to someone who has just moved, send a monthly offer to new movers. ACE Hardware sends offers of free light bulbs and batteries. Many redeem the offer and end up spending much more.
- 34 **Retail/ Restaurant.** Use the back of the card for a redeemable (anytime) offer. Stew Leonard's supermarket gives their employees their own calling cards and, on the back is an offer for a Free Ice Cream cone next time your visit their market.
- 35 **Lodging.** We advertised a special holiday package with a response card for more information in Modern Maturity Magazine. We received over 9,000 responses.
- 36 **Lodging.** We wrote a letter to CEOs and owners of businesses in Denver (we're 75 miles away in Winter Park). We offered people one night at our property free, no strings attached. Our main objective was to get people to drive the 75 miles to see the place. The promotion has led to repeat business.

### **Continuity/Loyalty Programs (8)**

- 37 **Restaurant.** All of our customers received a gift in the month of December when our business increases by 300%. The gift is a certificate that is redeemable in the month of January when volume decreases. The certificate invited them to join us for a complimentary entrée when they purchased one of greater of equal value. Very successful. Sales increased by \$30,000 in January.
- 38 **Restaurant.** The Paddock Restaurant in Camden, SC has a VIP program for its most valued customers. Numbered VIP cards are issued to regular customers. The card entitles members to a 10% discount on a meal and also to a discount at a local golf course. The restaurant keeps birthday and anniversary information on files and VIPs are entitled to free champagne or desserts on their special days.
- 39 **Restaurant.** We hold a "Name of Company Appreciation Week." We offer their employees a discounted lunch that week.

- 40 **Restaurant.** We offer a children's club which is very popular. Parents are often reluctant to leave children at home. Having a program geared to welcome kids encourages parents and families to come to our restaurant.
- 41 **Restaurant.** We sell a membership card for \$25. For this, the customer receives a 2 for 1 dinner offer for 24 visits, a VIP pass to the nightclub, concert tickets at half price, and placement on our VIP mailing list (first to receive new promotional information). We learned that customers who pay for the card spend more.
- 42 **Restaurant.** We sold dinner cards for \$19.95 through door-to-door advertising. The cards offered 2 dinners for the price of 1 for up to 35 visits (with a value of \$350). We sold 1,200 cards in six weeks.
- 43 **Lodging.** When special occasion guests (birthday, anniversary or honeymoon) leave, we send a **direct mail** postcard to them 10 months later with the following: one side has color photo of our spectacular rooms, the other side has their address handwritten and the words "You have a special day coming up soon. Wouldn't you like to spend it in one of our beautiful rooms? Present this card for a 20% discount. You are special to us - let us make your special day memorable. The staff, Inn on Summer Hill."

### **Ethical Bribes (8a)**

- 44 **Restaurant.** We have a local referral program that drives in tourist traffic. To make it easier for local merchants to recommend our restaurant, we printed on the back of my business card..."Please join us for a complimentary dessert with dinner"..."Presented by -----". For every 10 guests sent to us by a local merchant, we offer the merchant a free dinner. This is a great incentive program and it shows my appreciation by recognizing referrals.
- 45 **Restaurant.** When we receive requests for donations that we decide not to give - dinners or money, we offer our restaurants for "breakfast meetings" for their organizations. We have found it brings people in, promotes goodwill, and often they will stay for lunch.
- 46 **Retail / Restaurant.**
- Start a Customer Get A Customer Program.** Give your best customers an incentive to have their friends come to your establishment. For example, give your good customers a certificate that says, "I'm here because (name of customer) sent me." When you get three of these new customers from one source, reward the source with a free dinner or gift certificate. (Make the reward substantial enough to motivate your customer to become your salesman.)



- 47 **Lodging.** Concierge program. Have concierges send business to your establishment. If you are a restaurant or local attraction, host a special event for concierges, or invite them to come to your establishment as your guest any time. If you are a retail store, offer a shopping gift certificate from your store to concierges to give away to guests staying in their hotel. Every time 3 of the gift certificates are redeemed, send the concierge a "reward."
- 48 **Lodging.** We placed tent cards in each room that said "Spread the Rumor." They asked each guest to refer to us 3 guests (name and address) who travel to our city. On the fourth line, they printed their name and address and we mailed them a free gift - a nice pen with the hotel logo and a letter thanking them for the referral. Each name on the referral card received a mailing from us with a \$10 gift certificate for when they came to town. We've already received many new guests from this program.
- 49 **Lodging.** Millenium Hotel, NYC. All previous Millenium guests receive complimentary one-year subscriptions to Sophisticated Traveler's Inside Guide to New York, a quarterly newsletter detailing events in the city. It's part of the Millenium's "hug and hold" program to keep guests coming back to the hotel.

## Promotion - Special Events (9)

- 50 **Restaurant.**
- \$19.94 Special.** Seems like an old idea, but lots of restaurants are doing it and it is bringing in lots of business. Retailers might be able to pick it up by offering some special item for \$19.94. This idea also generates a lot of PR.
- 51 **Restaurant.** Anytime there is a holiday, such as Boss' Day, St. Patrick's Day, etc. we take advantage and run a one week or longer promotion.
- 52 **Restaurant.** Cafe Fleuri in Boston has created a "chocolate bar" offering an All-You-Can-Eat buffet of light and dark chocolate treats. Open every Saturday afternoon.
- 53 **Restaurant.** For Academy Awards night - a traditionally "dead" evening at many restaurants, we sent invitations stating "And the Winner Is..." with an official-looking seal on the outside. On the inside, we wrote "...best location to watch the Academy Awards - The Warehouse Restaurant. Largest Big-Screen TV," etc. People called and asked for 'invitations' for their friends and the evening was a major success and became an annual event.
- 54 **Restaurant.** For Mother's Day, a landmark NYC restaurant featured an all-female band and gave moms posies and apple pie. Bookings were far ahead of prior year.

- 55 **Restaurant.** One of the best known 5-Star Restaurants in NYC celebrated its 25 year anniversary this year by rolling prices back to where they were 25 years ago. Not only did this bring them sold out seatings, but they were featured in a prominent NY Times article.
- 56 **Restaurant.** The "Chef's Table". Some of the world's top restaurants now offer a table *in the kitchen* where guests are assured contact with the chef. At the Waldorf, a chef's table dinner costs about \$100/person and it includes a tour of the kitchen, discussions with the chef, and a four course meal. Devotees liken the experience to being in an artist's studio.
- 57 **Restaurant.** We always do something special on holidays for families. On Easter, we have the Easter Bunny for children to visit. On July 4, we have a "live" statue of liberty walking around. It always brings families with children in.
- 58 **Restaurant.** We established a small jazz festival on the outdoor patio which has become very successful after four years. It is now known as a regional event throughout the area. Promotion for the event was done on low budget mailings of our customers and the musicians' own mailing lists. Plus, we got coverage on local radio and through flyers.
- 59 **Restaurant.** We invite all of our best customers to a totally "comped" Superbowl party at the restaurant each year. We close for the event. People want to stay best customers so they'll be invited each year.
- 60 **Restaurant.** We video tape softball leagues playing their games. Then, we invite the teams in to see the videos.
- 61 **Restaurant.** We wanted to boost our bar business, so we implemented a "guest bartending night." Customers print their name and phone number and write the days of the week which are most convenient for them. We call to schedule the date. They get behind the bar with one of the bartenders (to control the pour, work the computer, etc.) and they can show off to their friends. Most of them bring a large crowd and stay for dinner.
- 62 **Restaurant.** While not the most original idea, it always seems to bring them in. We do an ugly tie contest for Father's Day. Winner gets 4 Yankee Tickets.
- 63 **Restaurant.** A pub borrowed 25 crabs from a pet store and publicized a crab race. Crabs raced on a table in the pub. Nearly 400 people showed up along with a local TV crew.

## Promotion - Customer Specials (9a)

- 64 **Restaurant.** At V's Italiano Ristorante in Independence, MO, they built a flourishing anniversary program. First, they created a wedding anniversary database by asking customers to fill out an information card that servers slip into the check holder. In return, the customer receives a gift certificate for a complimentary appetizer. They get a 33% response rate to the offer which includes free champagne with the meal.
- 65 **Restaurant.** In order to sell more gift certificates for Christmas, we included our gift certificate inside a basket with a special house wine wrapped in clear wrap with a beautiful bow. We displayed it and it was a great seller.
- 66 **Restaurant.** Kaspar's in Seattle offers a "Recipe Club" dinner every Tuesday night, their slowest night. In addition to the regular menu, the chef prepares (reservations only), a four course prix fixe menu which he introduces to the table and then follows up. Special wines by the glass are recommended. Diners are given the recipe to take home.
- 67 **Restaurant.** Nothing works better for us than personal birthday cards to good customers for a free meal during their birthday month.
- 68 **Restaurant.** We are putting a commercial size Polaroid camera in our lounge area. We are located in an old bank vault and are known for this. Many people come to see this 23 ton vault door. We will be taking birthday and anniversary pictures (or whoever wants one) of guests in front of the vault. We'll give them the pictures in a photo holder with our logo on it.
- 69 **Restaurant.** We do many promotions all year long. Here are a few: Businessperson's frequent diners account, dinner-concert nights, cigar dinners, jazz brunches, trips to Italy with customers from the restaurant.
- 70 **Restaurant.** We give customers a puzzle piece each time they come to see us. When the puzzle is complete, they get a gift certificate for dinner.
- 71 **Restaurant.** We sent out an actual early holiday card to our corporate customers. It jogged their mind that it was time to start thinking about holiday parties. The card included a \$50 gift certificate to be *personally* used by the person booking a party of 20 or more.
- 72 **Restaurant.** We took the basic concept of Happy Hour and expanded the discounting to include the entire bar menu. Then, we believe, you should be "happier" more often, & extended the hours to include lunch (11:30 am - 7:00 PM). We have built our bar revenues up 500%. We now not only have a full bar all day, but have also filled a gap with increased profits.

- 73 **Retail / Restaurant.** If you are part of a mall, have a **customer appreciation week** promotion where all stores offer a special discount. Good example was the one done by The World Trade Center after its mall reopened after the bombing. Business was absolutely wild. People lined up to get into the stores.
- 74 **Retail/ Restaurant.** Sponsor a customer or client of the month program that recognizes your best customers (health clubs do this a lot). Publicize the person in your establishment and reward them.
- 75 **Lodging.** Crescent Hotel in Phoenix has a "**Guest of the Day**" program. This hotel selects a guest of the day from a database of guests who are returning for another stay. When the guest arrives at the hotel, a sign awaits them "Welcome to Karen Quinn, our guest of the day." Staff congratulate you on being "our important guest". After you check in, a basket of gifts from the gift shop is sent to your room. It's like being Queen/King for a day, fun for the guest and motivating for the staff.
- 76 **Lodging.** The Yokohama Grand Inter-Continental recently ran a Pay Your Age Plan: For each decade of the customer's life, the hotel cut prices by 10%. The promotion proved most popular among the elderly. More than half the participants were in their 60s, 70s, and 80s and reaped discounts of 60% to 80%. One 100 year old gentleman snapped up the opportunity to stay for free.

### Promotion - Targeting Segments (9b)

- 77 **Restaurant / Retail.** Create a program that appeals to the **Corporate Customer**  
Saks Corporate Gift Service.
- Sfuzzi's, a wonderful Italian restaurant, has established a take-out/delivery program for busy executives in lower Manhattan. They also encourage business people to book group luncheons and special events by offering a \$35 credit towards an event totaling \$500 or more. If you book four parties of \$1,000 or more per event, they will host a free dinner party for you and 19 guests at their restaurant.
- 78 **Restaurant.** At Eastside Oyster Bar and Grill in Sonoma, CA, Charles Saunders, Chef and owner has a special "Captains Table" at his restaurant. It's one long pine dinner table with a fixed price three course dinner, wine included. One seating per night. separate parties and singles eat together at this table, and people are encouraged to meet and visit.
- 79 **Restaurant.** Cigar smoker's night. Keith Taylor of Zenith American Grill, Denver, CO, increased sales 25% by catering to this special group. He now closes the restaurant to the public and holds special dinners just for cigar smokers.

80 **Restaurant.** In New York City, at the No Idea Bar, they pick a first name every day and let anyone with that name drink for free from 6 - 11 PM. Busy weekends feature names like Yolanda or Levi. But Ted, Laura and Joe have all had their day. Holiday's inspired Mary and Joseph nights, as well as a Cupid night. Elijah didn't show up on his night, although there was an empty stool for him. The name of the night is always posted at the bar for any Larry or Linda who passes by. Sometimes they do insist on proof, but spelling doesn't count. When Alberto showed up on Umberto night, they let it slide. Not only is this a good promotional idea, but it generates lots of PR.

81 **Restaurant.** Make you business **child friendly**. Here's what Harvest Restaurant in Denver and Bay Back Rowing Club in Costa Mesa, California do. They include feeding children snacks while they wait for the order, expedite the meals early so parents can have children set up before their own meal comes, feature a children's menu, give them crayons and puzzles to play with, promise them a toy or balloon if they eat their dinner, take Polaroid picture of the child and give it to them, offer a stroller valet parking lot, take the children on tours of the kitchen, give them glasses with plastic animals hanging from the sides.

The Harvest in Denver sponsors a coloring contest on major holidays in which every child is a winner! After the child turns in his or her picture with his or her name and address, he or she is sent a certificate that says, "Congratulations, You won! Come back with your mom and dad and collect your prize."

82 **Restaurant.** Make your Business **Senior Friendly**. A combination restaurant/disco directed marketing to senior citizens. It was the first time the club had aimed at this target and the first time the seniors had been targeted for such a business. Smashing success!

83 **Restaurant.** Rockwell's, in Westchester County, New York, offers an **on-site, free baby-sitting service** from 5 PM to 9 PM Monday through Wednesday nights. Children can play in a designated play area while parents dine. The children are also served dinner while they play and can visit parents during the meal.

#### **How does this idea work for you?**

Retail stores could offer a children's play area while parents shop. And hotels have started offering special supervised programs for children to encourage families to come there on vacation (Camp Hyatt and Club Med both have great programs). Even United Airlines now offers Happy Meals on board so kids can eat what they like and be entertained with the toys in the meals.

- 84 **Restaurant.** The Border Grill in Olivette, MO runs a Courtesy Bus for groups of 10 or more to their restaurant. They follow through on the promotion with advertising copy. "Our busboy has yet to clear a table." "The only restaurant in town that guarantees you'll get Picked up."

Have a group of retailers in a mall send a courtesy bus around to hotels in the area to shuttle people back and forth to their mall as a way to capture tourist shopping dollars. On the bus you hand out "gift certificates" to encourage them to come to your store.

- 85 **Restaurant.** The Garlic Dinner. This special dinner included roasted garlic and bread, roast duck with garlic, and chocolate chip cookies with garlic for dessert. This menu was created by the Upperline Restaurant in New Orleans.

- 86 **Restaurant.** Turn your establishment into a **gathering place for singles**. They do it with Laundromats, with health clubs and now the Barnes and Noble bookstore on the upper west side of New York is the latest place people come to browse, buy, and meet people. The store is designed to encourage people to linger and mingle. Tables and chairs are set up. People can sit in the store's cafe and sip coffee and eat cookies. Balconies are set up for people watching.

- 87 **Lodging** Marriott Courtyard - Offers everything from faxes to local calls free for frequent stayers.

- 88 **Lodging.** Anderson House - (a \$59 inn near Rochester, MN), John Hall, owner, initiated a Frequent Fluffy program and provides a free cat for the night. Little Fluffy, Morris, or Socks is delivered to the room with a fresh supply of food and litter.

- 89 **Lodging.** Howard Johnson's has a Sega portable video game included in the price of a room. "They're the first thing people ask for, even the grown ups." Since introducing this promotion, bookings are up 15-18% over last year.

- 90 **Lodging.** Ramada Inns - Families get a complimentary disposable camera.

- 91 **Lodging.** The Hyatt Hotels now offers a plan to attract business travelers for just \$15 per day over regular room rates. Travelers choosing the Business Plan receive a special room equipped with a personal workstation, desk phone with computer hook-up, no phone access charges for 800, local, and credit card calls, coffee maker, iron, and ironing board, express continental breakfast, morning newspaper, 24-hour access to printer, copying, and other business services, and complimentary fitness center privileges.

## Public Relations (10)

- 92     **Restaurant.** For Valentines Day, Camelback and Central in New York City hired stretch limos to take people home after dinner. He sent out press releases and generated free PR for his restaurant.
- 93     **Restaurant.** Our restaurant is very involved in a program for feeding the homeless in our city. Every 6 months, our entire serving and kitchen staff volunteers to cook and serve the homeless through than organization. The newspapers have featured stories about the program and our efforts.
- 94     **Restaurant.** The Fountain Restaurant in Philadelphia offers the "Saturday Lunch Club." The club introduces children (8-14) to the pleasures of elegant dining. The children come dressed in their best clothes and sample foods normally prepared for more sophisticated palates. Once each month, foods from a different country are prepared.
- 95     **Restaurant.** We have built our marketing program on public relations efforts. We target specific magazines and newspapers and TV shows for coverage that reaches our target consumers. Publicity breeds more publicity and our business keeps growing.
- 96     **Retail / Restaurant.** A baker makes his deliveries in a van painted to look like a giant loaf of bread. An Italian Restaurant has a van that looks just like a hero sandwich.
- 97     **Lodging.** During the sluggish summer season, the Wataya Besso, an inn in Kyushu, Japan ran a two-week campaign allowing guests to stay at special rates - of their own choosing! The campaign let guests pay as they pleased for rooms that normally start at 20,000 yen per person. The hotel did not disclose final revenue figures, but did say that some of the bills were well under what the hotel normally charges. Still, some customers willingly paid the hotel's listed prices. Whatever the bottom line, the promotion was a profitable public relations endeavor. People certainly talked about it and the Wall Street Journal wrote about it.
- 98     **Lodging.** The Manhattan East Suite Hotels writes and publishes a folder describing all the holiday displays and lights in Manhattan for the Holiday Season. The brochure is offered free guests at the hotel or by sending in a self addressed stamped envelope. A PR release is sent to 500 newspapers around the U.S. with a copy of the guide. Result: We receive coverage for the hotel group in at least 30 newspapers each year and at least 2,000 requests for the guide. Total cost of the promotion is \$4,500. This is the 6th year we've repeated the promotion with no decrease in response.

## Customer Service - Unasked For Extras (11)

- 99 **Restaurant.** Every year we host a special open house for all of our best customers. We pay for the invitation and mailing, and our suppliers cover the remaining costs. We also send our corporate banquet customers a gift each January thanking them for their business and offering them our services for the coming year.
- 100 **Restaurant.** For us, the best idea has been giving away \$20 gift certificates for special nights like New Year's, Christmas, Valentine's Day.
- 101 **Restaurant.** Once each quarter we cook and serve dinner (gratis) to 10 of our best guests. The first time we did this, it was targeted to guests in our neighborhood. It solidified our relationship and strengthened our word of mouth.
- 102 **Restaurant.** We do a sealed envelope special. Here's how it works. On a holiday, such as Mother's Day, we give all mothers a sealed envelope. If they redeem it on their next visit (within 30 days), they will get one of four gifts listed on the sealed envelope. After their meal (next visit), we open the envelope together and apply the gift immediately (if an amount off) or give them the gift.
- 103 **Restaurant.** We give each customer a gift certificate for a free dessert next time they come in. It brings them back.
- 104 **Restaurant.** We give long stemmed roses to the ladies near the end of their meal. It makes the evening special and makes our restaurant a "special occasion" place to be.
- 105 **Restaurant.** We give our guests something with our name on it like a box of cookies or a bottle of salad dressing. They take it home, share it with friends, and come back and see us.
- 106 **Restaurant.** We print all "Happy Birthdays, Happy Anniversaries, Congratulations on Your Graduation," etc. at the bottom of our menu each day. It is in larger type and in bold type. We have had two marriage proposals in our menu so far. Also, the Birthday Person, Anniversary People, etc. take a copy of our menu home with them. It has been very effective for us.
- 107 **Restaurant.** We recently installed a bulletin board where we congratulate our clientele and employees on birthdays and special events. Everyone likes to see their names in print.
- 108 **Restaurant.** We use quotes from our guest comment book as copy in our print ad campaign- a version of testimonials. Also, we give away 1% of average sales every night to select customers as free dessert, appetizer, drink, etc. rather than using that 1% for advertising.



- 109 **Restaurant.** With each reservation celebrating a special occasion, we print up personal match books with the guest's name on it. Like "Happy Birthday Bob Smith." People love seeing their names or their client's names on matchbooks. They talk about them and always come back for other occasions.
- 110 **Lodging (Inn).** We give a journey cake to guests as they leave. It comes with a printed story (with our logo) and we personalize and sign our first names to the box. The story is from a fairy tale and it is magical. We want our guests to have more than what they paid for and it makes us very comfortable to give them a gift after we collect money from them. We do not include this in our literature. We want it to be an unexpected surprise. We want our guests talking about us after they leave. The cake is not for sale. The only way guests get them is as a gift.
- 111 **Lodging.** Holiday Inn in Ft. Myers, FL offers free milk and cookies to its guests every night (their cost: 20 cents per person.) They say it helps turn first time guests into repeat customers.
- CAUTION:** Make sure your perk is strong enough to work. Hospitality Franchise Systems, a franchiser of Ramada Inn, Days Inn, and other motels, tested a plan to give away portable pen and paper holders that drivers could attach to car sun visors. A flop! Not substantial enough to make people do something different.
- 112 **Lodging.** We make February "Valentines" Month in order to increase our winter business. We design and direct mail our customers a special Valentine's Card, and offer some specials. This has worked well.
- 113 **Lodging.** We send "thank you" notes to first time guests for staying with us. We remind them of how fabulous Aspen is in other seasons. And we offer a special rate when they re-book. Our re-book rate is already increasing due to this program.

## **Customer Education (12)**

- 114 **Restaurant (caterer).** We invited all our out current catering customers into the restaurant after hours and presented them with the full catering menu. They were able to see the product and meet the staff who was in charge of functions. Catering sales increased 5% over the next 3 months.
- 115 **Restaurant (Italian food).** We offered free Italian language classes for our restaurant's anniversary celebration.
- 116 **Restaurant.** A well known NYC restaurant sends out its newsletter four times each year featuring information about wines, upcoming events, and some of its best special recipes. They also feature information on upcoming seminars (\$50) on olive oil appreciation and making pasta and other topics of interest.

- 117 **Restaurant.** "Doorhangers" with our menu and special offers printed on them and hung within our immediate trading area has been successful for us.
- 118 **Restaurant.** Educational events. A Mexican restaurant offers lectures on Mexican chilis, plus tastings, for \$75. A Chicago restaurant offers periodic olive oil tastings.
- 119 **Restaurant.** Halcyon in New York City offers a chefs hot line where patrons can call and have questions answered like "what wine do I serve with duck," or "how do you make crème brûlée." If he is not able to take the call, someone takes a message and he calls them back. A great customer loyalty program.

### **How does this work for you?**

How can you apply this idea to your business? If you are a book store, you could offer a hot line for people to call with questions about books. A hotel might answer questions when conditions are best for skiing or viewing Fall foliage. A toy store could answer questions about age appropriate gifts. If you already answer questions, why not position this service as a "hot line?"

- 120 **Restaurant.** Involve local charities. Papa Gino's Restaurants offer charities 15% of net sales during a five hour period. (Last year, they donated \$400,000 to local charities throughout New York and New England.
- 121 **Restaurant.** Our wine sales needed improvement. First, we had to educate our servers so the wine reps came in and gave wine tasting seminars. Then we made all wines available by the glass. Both programs improved sales.
- 122 **Restaurant.** When reopening our restaurant after renovation and new menu, we invited the top customers back by personal invitation from the general manager to try out the restaurant as our guests before we opened to the general public. The response was great and the guests remain our most loyal patrons.
- 123 **Lodging.** When people book a stay with us, we send them a post card from our property which serves as a confirmation and a colorful reminder of their upcoming stay.

### **Customer Surveys (12a)**

- 124 **Restaurant.** At The Cosmetic Store in Roswell, Georgia, the owner, Manny Roth consistently pulls a list of customers who have made purchases in the last 10 days and calls them to inquire whether they are happy with their merchandise. His sales staff also sends a thank you note to every customer.

- 125 **Restaurant.** Offer the card and pencil when you give the check to the customer at a restaurant. Or do what Botin Restaurante of Madrid does...They have a line on their menu that says: "We have a complaint book at your disposal." (menu enclosed).
- 126 **Restaurant.** When a customer enjoys one of our dinner specials, I ask for their name and phone number, and I call them when we have that special again.
- 127 **Retail / Restaurant.** Have a customer focus group. Invite some of you best customers over one evening and ask them to help you brainstorm ways you could make your business better for them. You could also have a focus group with some of your marginal customers. What keeps them from coming in more often? You'll be surprised what you will learn from you customers. Be sure to reward participant with a gift certificate to your establishment. And, always feed them during the focus group.
- 128 **Retail / Restaurant.** If you need market research, use a local University Marketing class to help you out. Contact the marketing departments of local universities. Or, contact the American Marketing Association at 312-648-0536. You can order a membership directory for \$100 which indexes members by organization and geography.
- 129 **Lodging.** Our guests surveys are mailed after guests depart. We have a 30% return rate. We don't use typical rating systems. Instead we ask open-ended questions. It is amazing how much information our guests share.

### **Customer Service - Employee Programs (12b)**

- 130 **Restaurant** Involve your staff! Have a manager sale, a waiter and waitress sale, a "While the boss is away, look what we have for you sale." Added benefit: Makes your personnel feel great.
- 131 **Restaurant.** A local restaurant that specialized in banana cream pies held an employee contest. Whoever sold the most banana cream pies during the month would win an entire cream pie - to throw in the manager's face. The result is that dessert sales for the month increased 50%.
- 132 **Restaurant.** At Sammy's in Cleveland, staffers call customers and ask them about their meal and the service. They get lots of compliments, comments, and details about ideas and how to make their restaurant better. When a problem is uncovered, the owner sends a letter and encloses a Gift Certificate to get the dissatisfied customers back again.

- 133 **Restaurant.** At Tejas in Minneapolis, once a year, servers can give a \$20 gift certificate to any guest they choose, no strings attached. Attached to the certificate is a card, "You're special. Thanks to you, Tejas is entering it's 6th successful year. This gift of \$20 may be used towards any lunch or dinner prior to . . . .".

**How does this idea work for you?**

You give each sales person in your retail store a \$25 gift certificate to send to that sales person's best customers. Almost all those customers will spend more than the gift, and stay loyal customers!

- 134 **Restaurant.** At Trumps in Stillwater MN, the staff sends out 1,000 thank you post cards every week to acknowledge customer's patronage.
- 135 **Restaurant.** Chef Allen in Miami, FL has a "Chow Now" program for its employees. Servers are given \$50 to dine out at **competing** white table cloth restaurants once a month. In return, they are required to give an oral report to fellow employees and a written report to the Chef/owner about what they learned. The employees discuss new ideas and offer suggestions for improvements.
- 136 **Restaurant.** Our employees must follow our customer service quality standards with each customer (and we "mystery shop" them to be sure). Standards include acknowledge the customer within 30 seconds of seating, suggest a specific beverage, give them a drink within 5 minutes, suggest food items, frequent check backs, return and suggest a specific desert, constant good service and friendly attitude, and the customer gets anything they want.
- 137 **Restaurant.** TGI Fridays trains its staff to do whatever it takes to please the customer. Even if that means running to the store to get ingredients a customer wants for a special order. At Atlanta's Kudzu Cafe, waiters and waitresses have the discretion to offer customers a free dessert of meal if they have to wait too long for their meal. Staff has flexibility to handle a problem without asking permission.
- 138 **Retail / Restaurant.**
- "The One Idea Club." Stew Leonard's supermarket take employees to visit other stores. Asks them to come back with "one idea" for their department.
- 139 **Retail / Restaurant.** Feargal Quinn, owner of Superquinn supermarkets in Dublin, Ireland, makes all his managers do their grocery shopping at a competitor's store at least once a month. And then report back what ideas they liked.

- 140 **Retail / Restaurant.** Make sure your staff is trained to handle complaints and that they handle them the way you want them to! With a restaurant, if the customer has a problem with the meal, offer to prepare something else. Don't make them pay for something they don't like.

**How does this promotion work for you?**

Ritz Carlton Hotel employees receive about 150 hours of training when they start their jobs, much of which is customer service training. They learn no detail is too small, no request too large. They are taught to warmly welcome each guest with "good morning" or "good afternoon." Not "hi" or "How's it going." It means escorting guests who ask directions. It means taking personal responsibility for resolving guests complaints.

Gordon's, Atlantic City, listens politely to customers complaints and quietly asks, — "You tell me what you want — and the answer is yes!" (They know the lifetime value of a customer.)

- 141 **Retail / Restaurant.** No matter what your business is, make sure every employee has calling cards. They will give them to friends and people they meet. If just ONE customer comes in from your employees giving out 500 calling cards, you would be ahead!

- 142 **Lodging. The Inverted Pyramid.** Traditional businesses have management on top then middle management all the way down to the lowest employees and then the customers on the bottom. Non traditional businesses REVERSE the Pyramid. Nordstrom's and the Ritz Carlton Hotel chain believe the customer belongs at the top and then the employees and then ...

**TO THE POINT WHERE:** The Ritz Carlton Hotels allow any employee from maids to bellhops to hotel manager to personally authorized expenditures up to \$2,000 to cover repairs and replacements in the room. They take care of or delete a disputed item from a guest's bill.

### **Strategic Alliances (13)**

- 143 **Restaurant.** A major theater in town had little parking in the area. They supplied us with a list of ticket buyers. We offered free limo service and a special menu for theater-goers.
- 144 **Restaurant.** Our best marketing programs are cause related tie-ins. We offer a special contribution based on the spending of people associated with a non-profit group. One program gave us 83M free exposures through a charity newsletter and brought us 500 new customers.

- 145 **Restaurant.** Peg Leg Annie's in Boise, ID sponsors an annual Thanksgiving contest for Thanksgiving dinner on the Mayflower, Mayflower Van Lines that is. This one is fun and generates great PR!
- 146 **Restaurant.** We did a promotion with a very upscale department store. Any customer who spent \$100 received a "2 for 1" dinner with us. Traffic increased. If I did it again, I would exclude Saturday nights.
- 147 **Restaurant.** We do a wonderful promotion with local Churches. We invite the entire congregation to participate for a month. Whenever people from the Church eat in the restaurant, they bring in a special card which is attached to their check. At the end of the month, we tally up with the members spent in the restaurant and donate 10% of the proceeds to the Church. It's a win-win - The Church promotes us for an entire month; we get new customers; they get a nice donation.
- 148 **Restaurant.** We have a Friday afternoon fashion show luncheon with local clothing shops. The stores provide the clothing and the models for two hours. They give out 20% off gift certificates. We share our mailing lists. Our lunch is prix-fixe and this increased our Friday lunch business by \$600. We built our list by having customers sign up for a free facial from a local shop or jewelry from a local store.
- 149 **Retail/ Restaurant.** Tie in with local charities for "their" day. They receive a percentage of all sales that day. They will bring in their friends to your restaurant, store, market.

### **Direct Marketing/Database/Frequent Users (14)**

- 150 **Restaurant (upscale).** The owner of the restaurant walks around to each table and visits guests and collects their names in a guest book. 2-4 times each year, he sends guests a letter inviting them to come in Monday through Thursday night and enjoy any entree for \$10. The customer feels special, orders more, and we have a wonderful mailing list.
- 151 **Restaurant / Retail / Lodging.** Collect names, addresses, phone numbers, and key information about your existing customers and create a customer database. Then use the database to invite your own customers to attend special events, to make special offers, and to communicate with them in ways that are relevant.

- 152 **Restaurant.** in a restaurant encourages repeat business. The Restaurant at the Phoenix in Cincinnati, OH started its own frequent flyer program which gives customers points for every dollar spent at the restaurant.

Here's another one...

Arby's has a frequent customer club in 40 restaurants and plans to expand the program to 264 restaurants. Rewards are tailored to customer's preferences...regular salad buyers earn a coupon towards a free salad. Visits by frequent customers doubled since the program started.

- 153 **Restaurant.** Start a club that reflects who you are or what you want. The Russian Tea Room started a Caviar Club. Members get a 20% discount on caviar ordered at the restaurant. And, they get invited to tastings of caviar, paired with vodkas, wines and beers. They also arrange members only special dinners, such as a dinner celebrating St. Petersburg "White Nights" festival, celebrating the midnight sun. Here, caviar will be served all evening, along with cocktails, dinner, and a chefs talk focusing on caviar and recipes using caviar.
- 154 **Restaurant.** We just had a custom guest book made that is over 3 feet tall! Our restaurant is "known" as a place to come to for special occasions. We are using the information captured in the book to build our database for mailing and marketing.
- 155 **Lodging.** We had special boxes created for people to leave their name and address and win a "free night's lodging." These are placed in high profile restaurants. Besides giving away free nights to winners of the drawing, we use the list to market our property to. The response from the list has been tremendous.
- 156 **Lodging.** The Swan Diplomat at Streatley-on-Thames, Berkshire, sends its past 10,000 customers an 8-page newsletter each season. The newsletter is also used as a means of fine-tuning the hotel database. A response card stapled into the newsletter invites readers to send for details of specific events or areas of business they are interested in, such as weekend getaways or conferences. Respondents go into a prize draw for a free weekend for two, but everyone who replies has their preferences noted on the database so they can be mailed special targeted offers. "From each newsletter, we're getting more than 2,000 replies. There's obviously an element of responding to the draw, but we do know our database is giving us more accurate information."
- 157 **Lodging.** Killington/Mt. Snow, a Vermont ski resort, keeps a database on every skier - especially those regulars who make their weekend plans at the last minute. If the five-day forecast looks good on Monday, the resort notifies its database operation, which then mails postcards to ski aficionados on Tuesday. By Thursday or Friday, the prospects have gotten the word and can be on their way.

- 158 **Lodging.** The Millenium Hotel in NYC runs a "guest recognition" program which keeps track of how often guests stay during the quarter, and rewards frequent guests with a handwritten note from the hotel's managing director and an amenity such as a bottle of wine or a room upgrade.

## Direct Marketing (15)

- 159 **Restaurant.** Burger King Unit publishes quarterly newsletters **members of its kids club.** The titles are "Small Fries" for ages 5 and under, "Great Shakes" for ages 6-8, and "Have it Your Way" for ages 9-10. An excellent way to communicate with and make special offers to an important segment of their customer base.
- 160 **Restaurant.** In July each year we hand out a "Christmas in July" piece offering a discount to anyone booking a Christmas party by September 11th.
- 161 **Restaurant.** Inexpensive to produce and a great way to keep in touch with your customers. Restaurants do these very effectively. The Manor in West Orange, NJ does a quarterly newsletter covering menu changes, their recycling program, and their special dinners. The Union Square Cafe in New York City has one of the best newsletters around. And Chef Allen of Miami also does an excellent one. Newsletters can work in any industry and should include newsworthy information plus announcements designed to drive people into your establishment.
- 162 **Restaurant.** Start a **birthday / anniversary gift certificate program.** Bacco's Italian Restaurant. Works for restaurants, retailers, and hotels. How about celebrating your anniversary with a weekend at our hotel. You can buy lists with people's birthdays or start your own customer database of birthdays and anniversaries.
- 163 **Restaurant.** We keep an in-house mailing list and do newsletters three times per year. This keeps our regular customers coming back.
- 164 **Restaurant.** When people celebrate an anniversary or birthday with us, we make note of it and invite them back the next year to celebrate with us again.
- 165 **Retail/ Restaurant.** Since the average business loses 20% of their customers EVERY YEAR, send them a FREE gift certificate towards their next purchase if they come back on or before a certain date.
- 166 **Retail/ Restaurant.** There are direct mail specialists in one industry who do all the work for your business: maintain your list, do the creative, print and mail. It's available for dry cleaners, restaurants and supermarkets. Look for their ads in industry publications.



- 167 **Lodging.** Peter Bates, sales and marketing director of Savoy Hotels, London, looks for ways of communicating that are hard to ignore. He promoted winter golf and activities at one of his properties by mailing orange golf balls wrapped in tissue. The property's emblem was on the golf ball and the tissue carried the message that the hotel would now be open year round and offered lots to do.
- 168 **Lodging.** The Hotel Millenium uses its database to boost weekend business by targeting prospects living in the same geographic areas as previous guests. Instead of using a demographic profile to target particular types of guests, the hotel targets people from specific geographic areas within a 20 mile radius of the hotel. The hotel's database was used to determine which zip codes had the highest percentage of previous weekend guests, and mailings went out to those areas. The rationale used was that likes tend to do alike, so Millenium management surmised that the neighbors of previous guests would be good prospects. They were right. Sales of weekend vacation packages went up 300% using this geographically targeted direct mail approach. Mailings stressed the "romance" that can come from a weekend in NY.

### Other Good Ideas (17)

#### 169 Retail / Restaurant / Lodging.

##### Stretch your marketing dollar!

- Barter for marketing services.
- Get national manufacturers whose products you sell to give you co-op advertising funds.
- Always negotiate when buying media
- Run small ads
- Don't save money by writing your own advertising. Use a professional (maybe you can barter for his services.)

- 170 **Retail / Restaurant / Lodging. Businessman's holiday.** When you vacation, visit businesses similar to yours. Introduce yourself. See what they're doing that's ... different. You'll find noncompetitive businesses willing to share stories and successes with you.

**Lodging.** The experts on newsletters for hotels recommend the following: • Have a way for readers to respond. • Offer incentives to bookings made as a result of the newsletter. • Customers like to hear internal hotel and staff news. • Write in a light and friendly tone. • If the newsletter is simply a duplicated letter, personalize it to the recipient. • Three times a year is the most popular frequency. • Consider competitions/contests as part of the newsletter.

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## **Appendix B**

### **Model Strategic Plan Builder**

**LIST YOUR TOP TEN NEEDS:**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_
7. \_\_\_\_\_
8. \_\_\_\_\_
9. \_\_\_\_\_
10. \_\_\_\_\_

**ESTIMATED RESOURCE REQUIREMENT:**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_
7. \_\_\_\_\_
8. \_\_\_\_\_
9. \_\_\_\_\_
10. \_\_\_\_\_

=====

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_
7. \_\_\_\_\_
8. \_\_\_\_\_
9. \_\_\_\_\_
10. \_\_\_\_\_

## POINTS OF ENCOUNTER

LIST THE FIVE MOST IMPORTANT "POINTS OF ENCOUNTER"

END USERS:

RANK YOURSELF\*  
(Performance):

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

---

---

---

---

---

INTERMEDIARIES:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

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---

---

\*Rank One To Five -- One = Not Good      Five = Excellent/Best

Note: This same process may be utilized for your employees or specific areas of operations, etc.

## FOCUS ON FIVE

**TOP FIVE SOURCES OF BUSINESS:**

**ESTIMATED % OF BUSINESS:**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

---

---

---

---

---

**RESOURCE STRATEGY:**

**ALLOCATION OF \$:**

**PERSONNEL SALES CALLS:**

**FAM'S:**

**INCENTIVES:**

**ETC.:**

## FOCUS ON FIVE

### TOP FIVE GREATEST OPPORTUNITIES TO PRODUCE REVENUE:

### QUANTIFIED GOAL (\$/%):

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

_____
_____
_____
_____
_____

### RESOURCE STRATEGY:

1. Allocations
  - ◆ \$
  - ◆ Time
  - ◆ Personnel
2. What process or procedure needs to change?
  - ◆ Operating procedures
  - ◆ Marketing policy
  - ◆ Human resources
  - ◆ Etc.
3. How fast can I change?
  - ◆ Timetable
  - ◆ Implementation plan

## FOCUS ON FIVE

### TOP FIVE OPPORTUNITIES TO INCREASE REPEAT BUSINESS:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

### PLANS OF ACTION:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

### RESPONSIBILITY:

_____
_____
_____
_____
_____



## FOCUS ON FIVE

### TOP FIVE "NEW" SERVICES:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

### PLANS OF ACTION REQUIRED:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

### RESPONSIBILITY:

_____
_____
_____
_____
_____

## FOCUS ON FIVE

**FIVE "NEW" METHODS TO PROVIDE INCENTIVES OR  
MOTIVATION FOR MY EMPLOYEES:**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

**PLANS OF ACTION REQUIRED:**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

**RESPONSIBILITY:**

_____
_____
_____
_____
_____

# CUSTOMER VISUAL PERCEPTIONS CHECKLIST

(Audit)

ITEM:

RESPONSIBILITY:

1. \_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_

3. \_\_\_\_\_

\_\_\_\_\_

4. \_\_\_\_\_

\_\_\_\_\_

5. \_\_\_\_\_

\_\_\_\_\_

6. \_\_\_\_\_

\_\_\_\_\_

7. \_\_\_\_\_

\_\_\_\_\_

8. \_\_\_\_\_

\_\_\_\_\_

9. \_\_\_\_\_

\_\_\_\_\_

10. \_\_\_\_\_

\_\_\_\_\_

## END USER ITEMS:

Phone Numbers

Reception

Parking

Elevators

Visual Signage

Hallways

Stairs

Rooms

Menus

## MAJOR CUSTOMER COMMUNICATION Problems

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_
7. \_\_\_\_\_
8. \_\_\_\_\_
9. \_\_\_\_\_
10. \_\_\_\_\_

Language barrier  
Employee attitude  
Employee knowledge  
Charge policies  
Other policies  
Advance fees  
Reservations  
Promotional Clarity  
Print size  
Etc.

## FOCUS ON FIVE

### TOP FIVE OPPORTUNITIES TO INCREASE CUSTOMER (END-USER) SATISFACTION:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

### PLANS OF ACTION:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

### RESPONSIBILITY:

_____
_____
_____
_____
_____

## FOCUS ON FIVE

**WHAT ARE THE FIVE BIGGEST DISSATISFIERS  
OR MISTAKES?**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

**PLANS OF ACTION:**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

**RESPONSIBILITY:**

_____
_____
_____
_____
_____

## SURVEY

There are two columns of items listed below. Check only one item (box) per column.

### Check One Box Only

- |  |  |   |
|--|--|---|
| 1. Which color do you like more?                         | <input type="checkbox"/> Gray                        | <input type="checkbox"/> Red                            |
| 2. Which car would you rather drive?                     | <input type="checkbox"/> 4 Door Sedan                | <input type="checkbox"/> Convertible                    |
| 3. Which would you rather do?                            | <input type="checkbox"/> Read                        | <input type="checkbox"/> Play Tennis                    |
| 4. Which shirt or blouse would you prefer to wear?       | <input type="checkbox"/> White button-down collar    | <input type="checkbox"/> Yellow open collar             |
| 5. Which of these two new places would you rather go to? | <input type="checkbox"/> New bookstore & coffee shop | <input type="checkbox"/> New nightclub and bar          |
| 6. Which of these two places would you prefer to go to?  | <input type="checkbox"/> Local beach                 | <input type="checkbox"/> Kenya on Safari                |
| 7. Which would you prefer to do more?                    | <input type="checkbox"/> Count the cash proceeds     | <input type="checkbox"/> Comp a productive travel agent |

## SELF-ASSESSMENT CHECK LIST:

<input type="checkbox"/> Mission Statement	0	1	2	3	4	5
<input type="checkbox"/> Company Philosophy/Behaviour Standards	0	1	2	3	4	5
<input type="checkbox"/> Key Overriding Messages (Not Crisis Related)	0	1	2	3	4	5
<input type="checkbox"/> Customer Feedback Systems	0	1	2	3	4	5
<input type="checkbox"/> Employee Feedback Systems	0	1	2	3	4	5
<input type="checkbox"/> Organizational Audit	0	1	2	3	4	5
<input type="checkbox"/> Customer Perspective Audit	0	1	2	3	4	5
<input type="checkbox"/> Employee Perspective Audit	0	1	2	3	4	5
<input type="checkbox"/> Crisis Plan	0	1	2	3	4	5
<input type="checkbox"/> Crisis Team	0	1	2	3	4	5
<input type="checkbox"/> Communications Calendar	0	1	2	3	4	5

0	=	Non-existent
1	=	Partial existence
2	=	Poor
3	=	Average
4	=	Good
5	=	Outstanding



## STRATEGIC PLAN MODEL

- EXECUTIVE SUMMARY
- MISSION STATEMENT
- COMPETITIVE AND ENVIRONMENTAL ANALYSIS
- PROBLEMS AND OPPORTUNITIES (SWOT)
- OBJECTIVES
- STRATEGIES
- TACTICS
- MILESTONES/TIMETABLE
- PROGRAM PLANS (ACTION PLANS)

### MACRO STRATEGIES

---

### DEFINITIONS

- SWOT
  - strengths
  - weaknesses
  - opportunities
  - threats
- MILESTONES
  - key dates or events of critical significance to achieving plan objectives
- EXPECTED RESULTS
  - specific measurements of progress from strategies and action plans toward achieving objectives:

### Expected Results (*continued*)

- profits
- revenues
- efficiencies/cost reduction
- invoices
- ratios, etc.

- **CONTROLS**

- the ongoing monitoring and measuring of the actual performance of the firm compared to its promised objectives.
- 

### MARKETING STRATEGIC PLANNING

- **ACTION PLANS**

- the series of activities required to carry out a strategy:
  - what will be done
  - when will it be done
  - where will it be done
  - who will be responsible
  - how much will it cost

- **TACTICS**

- a term closely related to strategy - usually a very specific action or means the accomplishing a strategy - day to day specifics of an action plan

---

## MARKETING STRATEGIC PLANNING

- **MEASUREMENTS**

- quantifiable results from strategies action plans of tactics . . . specific quantifiable goals, i.e.: increases, reductions, etc.

- **TIMETABLES**

- calendar dates by which actions and/or tactics will be accomplished.

- **MILESTONES**

- major target dates for events or actions completion - significant action plan "completions" to build upon or move forward from.

- **RESPONSIBILITIES**

- who is in charge (responsive) to complete an action plan or tactic

- **EXPECTED RESULTS**

- what (usually in quantifiable terms but not always) the outcome is expected to be from successful application on execution of action plans and strategies . . . ties to achievement of objectives.

## ON-GOING ACTIVITIES

Idea Round (15 to 30 minutes) each week

Use "3" (best ad, p.r., promotion and/or sales idea)

"Hand It Out" -- Sales Info.

Watch Your Timing -- Lead Time Is Important

Check The "Sources" Of Activity Closest To Home

-----

*\* Develop and cultivate and "experts" list for events and evenings.*

## IDEAS

---

- Invitations
- Passports
- Stanchion Displays
- Tent Cards
- Menu Mailers
- Recipes (Provide them as a gift/benefit)
- Event "Two For One's" (birthday, anniversary, etc.)
- Contest Sponsorship For Media Coverage (today's couple)
- Partial Meal Promo's (*coffee of, wines of, desserts of*)
- Cross-Selling (promote each other)
- Business Card List Builder

## IDEAS

---

- Surprise Envelope (*% off or other complementary item for next visit*)
- Dinner For Two Packages/Pricing Themed Gifts
- "Club" 5 (fifth dinner complementary)
- Theming the Theme -- (i.e., Italian Romance)
- Event Tie-Ins -- (i.e., Theater, Art, Musical Performance, etc.)
- Uniformed/Costumed Marketeer
- Welcome Dinner and Reception
- Your Card Is Good For...
- Gift/Memento
- VIP Cards and Number
- Company or Group of the Week --appreciation events
- Multiple Dinner Cards for Purchase

## IDEAS

---

- Suppliers and Vendors Programs
- In-Room Tent Cards
- Learn To \_\_\_\_\_ It Night -- (cook it, speak it, etc.)
- \$19.95 or Other Year Pricing/Date
- Holiday Tie-Ins (global, traditional, non-traditional)
- All You Can Eat Dessert Buffet
- Awards Events Host (Local)
- Amateur Entertainment Night
- At Least One Anniversary Per Year
- Guest Table (poet, artist, chef, etc.)
- Dinner With Brief Movie or Other Videos
- Culturally Related Clubs/Churches
- Embassy/Tourism Offices/Consulate
- Sport Event Tie-Ins

## IDEAS

---

- Talk Show Headquarters
- Ugly Tie or Scarf Contest
- Critics/Writers Table
- Recipe Club
- VIP Table
- Appreciation Theme Days/Weeks
  - secretaries
  - bosses
  - friend
  - teacher
- Stamps of the World Night
- Dance Demonstration Tie-Ins

- Retire In....Night
- On-Site Baby Sitting for "Dinner In Peace" Night
- Dinner With the Author

## IDEAS

---

- Taste the Continent or World Week/Night
- Educational Presentations for Specialized Groups (i.e., flowers of the world - florists, etc.)
- A Take Home
- Free Language Lesson Night
- Current Customers List Invites (catering, banquets, etc.)
- Newsletter
- Fashion Show Tie-In (Paris fashions, Italian fashions, etc.)
- Wine Seminar
- Restaurant Managers Night
- General Managers Night
- F&B Directors Nights/Chef's Night
- The \_\_\_\_\_ "Look" (cosmetics tie-in-European look)

## IDEAS

---

- From Avon Reps to Retailers Evening
- Guest Speakers Night (contest concept)
- Tie-In With Department Store Chain
- Local Charities, Churches and Clubs Tie-Ins (% concept)
- Non Profits Board Meeting Headquarters
- Guest Lecture Night(s)
- Puzzle Mailer -- Match the Missing Piece - WIN
- Weekend for Two --University Hilton Tie-In
- Get Out of Town (without going) concept

- Barter & Beg for Offer Inclusions in Others Lists/Mailers
- Each College or School Selects a Theme Night
- Press Release Per Week
- Radio Tie-Ins
- TV Coverage

#### IDEAS

---

- Partners In Travel Appreciation Dinner
- Items To Sell To Increase Revenue \_ Recipe Book, etc.
- One Item Perfection -- Reputation Builder



***John T. Linn, Captain, United States Air Force***

323 Capehill Dr.

Webster, TX 77598

713-480-4624

---

***Work Experience***

Commander, Services Flight, Eareckson AFS, AK

**May 93 to May 94**

Directed all Services operations. Controlled \$1.7 million budget comprised of appropriated and nonappropriated funding. Responsible for delivery of over 400,000 meals at site 1,500 miles remote from nearest commissary, 50 military and 200 contract employees, and daily operational control of nine separate recreation profit centers with revenues of \$25,000/month. Supervised design, development, and programming of Alaskan Air Command's first mainframe to P.C. network conversion of the Services Information Management System replacing an antiquated mainframe prone to system failure with state of the art equipment allowing point of sale inventories and total network communication.

OIC, USAF Presidential Honor Guard Operations,  
USAF Honor Guard, Bolling AFB, Washington DC

**Mar 91 to May 93**

Responsible for 200 man ceremonial contingent welcoming the President and Foreign heads-of-state to the White House, Pentagon, and Tomb of the Unknown. Personally led the USAF contingent through over 1,000 Joint Service and USAF ceremonies. Briefed USAF Chief of Staff and foreign Air Chiefs on proper ceremonial and protocol responsibilities during ceremonies. Supervised all budgeting, resource applications, and scheduling for over 3,000 ceremonies throughout the world.

Operations Officer,

**May 88 to Sep 91**

Morale, Welfare, and Recreation Branch, Bolling AFB, DC

Planned, programmed, and budgeted for all fixed assets needed for 20 separate activity centers with 700 employees. Activities included: \$1.5 million grossing officer's and NCO clubs, \$200,000 grossing bowling center, Fitness Center, Marina, Auto Shop, Community Center, Child Development Center, and others. Provided budget analysis to include payback, IRR and NPV valuation methods for fixed assets, designed and controlled operating plans for \$5 million annual budget. Personally supervised entire 15 member military staff.

## **Education**

Masters of Hospitality Mgmt., Conrad Hilton School of Hotel and Restaurant Mgmt., University of Houston, Houston TX., 1995.

BS in Parks and Recreation Management, George Mason University, 1987.

Graduate, USAF Squadron Officer's School, Maxwell AFB, Montgomery, Al, 1993.

## **Awards and Accomplishments**

AF Meritorious Service Medal  
AF Commendation Medal (with one device)  
AF Organizational Excellence Award  
National Defense Medal  
AF Overseas Short Tour Ribbon

USAF Honor Guard Officer of the Year, 1992

Three year recipient of George Mason University Scholar-Athlete Award.

Captain, National Collegiate Shooting Championship teams 1986, and 87.  
Individual National Champion, National Collegiate Shooting Championships 1986 and 87.

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